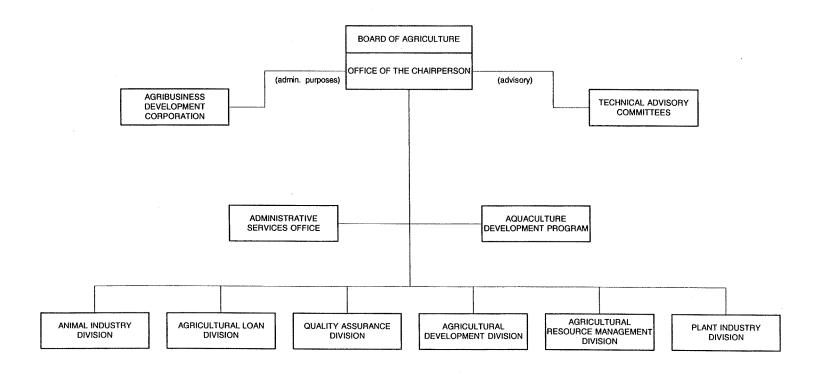


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# DEPARTMENT OF AGRICULTURE MAJOR FUNCTIONS

- Carries out programs to conserve, develop, and utilize the agricultural resources and infrastructure of the State and facilitates the transition of plantation agriculture to diversified farming
- Enforces laws, and formulates and enforces rules and regulations to further control the management of these resources
- Reviews and develops agricultural goals and objectives compatible with statewide expansion and diversification of Hawaii's agricultural base
- Prevents the introduction of plant pests and diseases, provides certification services to facilitate the export of certain plant materials, and controls and eradicates insects and noxious weeds and controls the distribution and usage of pesticides

- Administers the aquaculture development, state animal health, and agricultural and aquacultural loan programs
- Maintains official State primary measurement standards; ensures accuracy of commercial measuring devices
- Establishes and enforces grade standards for agricultural commodities producers in the State in cooperation with the industry, and achieves stability within the State milk industry by ensuring the availability of an adequate supply of wholesale milk for the consuming public
- Collects and disseminates statistical data on agricultural production and supports funding for research on various agricultural commodities

## **MAJOR PROGRAM AREAS**

The Department of Agriculture has programs in the following major program areas:

Economic De	evelopment	AGR 171	Agricultural Development and Marketing
AGR 101	Financial Assistance for Agriculture	AGR 192	General Administration for Agriculture
AGR 122	Plant Pest and Disease Control		
AGR 131	Rabies Quarantine	Environme	ntal Protection
AGR 132	Animal Disease Control	AGR 846	Pesticides
AGR 141	Agricultural Resource Management		
AGR 151	Quality and Price Assurance	Individual	Rights
AGR 153	Aquaculture Development	AGR 812	Measurement Standards
AGR 161	Agribusiness Development and Research		

# DEPARTMENT OF AGRICULTURE Department Summary

## Mission Statement

To develop and promote agriculture as a significant and respected driver of Hawaii's economy.

## Department Goals

To conserve and develop essential agricultural resources and infrastructure; to gain access and develop local, domestic, and international markets for Hawaii's agricultural products; to raise awareness of the importance of agriculture to the State's economy, environment, and as a profession; to implement programs to safeguard Hawaii's farmers, consumers, and natural resources; and to prevent the introduction and establishment of plants, animals and disease that are detrimental to Hawaii's agriculture and environment.

## Significant Measures of Effectiveness

1. Value of diversified agriculture (farm cash receipts for everything except sugarcane and pineapple, in \$ millions)

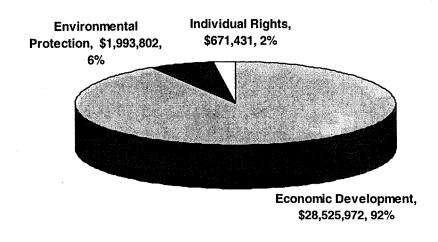
FY 2006 FY 2007

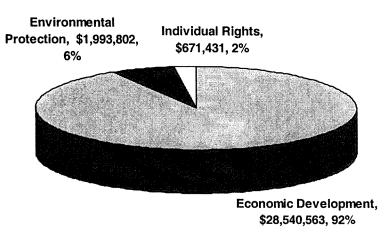
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## FB 2005-2007 Budget by Major Program

FY 2006

FY 2007





## Department of Agriculture (Operating Budget)

		FY 2005 Allocation	<u>FY 2006</u>	<u>FY 2007</u>
<b>Funding Sources:</b>	Positions	224.50	226.50	226.50
General Fund	\$	12,183,777	13,113,259	13,113,259
		57.00	49.00	49.00
Special Funds		4,588,790	4,589,626	4,589,626
			1.00	1.00
Federal Funds		861,280	958,878	958,878
Trust Funds		788,600	798,371	812,962
			9.00	9.00
Interdepartmental Transfers	ı	482,679	903,884	903,884
		14.00	14.00	14.00
Revolving Funds		10,678,963	10,827,187	10,827,187
		295.50	299.50	299.50
Total Requirements		29,584,089	31,191,205	31,205,796

## **Highlights of the Executive Biennium Budget Request:**

- 1. Added 8.00 permanent (deleted 2.00 temporary) positions and \$320,175 in each year in interdepartmental transfer funds for Plant Quarantine Inspector positions to implement the Federal Aviation Administration Alien Species Action Plan.
- 2. Added 1.00 temporary position and \$56,138 in each year in inter-departmental transfer funds for a Livestock Inspector and increased fringe benefit costs for existing positions at the Airport Animal Quarantine Holding Facility.
- 3. Added 2.00 permanent Brown Tree Snake Detector Dog Handlers and \$62,184 in each year in general funds to enable DOA to meet and inspect 100% of flights from Guam.
- 4. Added 1.00 permanent Biotechnology Specialist and \$39,336 in each year in general funds to review, monitor, and make recommendations on State concurrence of federal permits to import and/or possess genetically engineered plants in Hawaii.
- 5. Restored \$494,721 in each year in general funds for agricultural research.

PROGRAM ID:

PROGRAM STRUCTURE NO.

PROGRAM TITLE:

DEPARTMENT OF AGRICULTURE

		IN DOLL	ARS			TN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	312.50*	295.50*	299.50*	299.50*	299.5*	299.5*		
PERSONAL SERVICES	14,701,052	16,235,966	17,164,369	17,178,960	17,176		299.5*	299.5
OTHER CURRENT EXPENSES	8,051,728	13,443,915	13,938,636	13,938,636	13,936	17,176	17,176	17,176
EQUIPMENT	142,970	19,000	19,000	19,000	•	13,936	13,936	13,936
MOTOR VEHICLE	133,471	69,200	69,200	69,200	19 69	19	19	19
						69	69	69
TOTAL OPERATING COST	23,029,221	29,768,081	31,191,205	31,205,796	31,200	31,200	31,200	31,200
						========	========	
BY MEANS OF FINANCING				!				
	238.50*	224.50*	226.50*	226.50*	226.5*	226.5*	226.5*	226.5
GENERAL FUND	12,132,445	12,183,777	13,113,259	13,113,259	13.109	13,109	13,109	
	60.00*	57.00*	49.00*	49.00*	49.0*	49.0*	49.0*	13,109
SPECIAL FUND	3,754,258	4,599,336	4,589,626	4,589,626	4,589			49.0
	*	*	1.00*	1.00*	1.0*	4,589	4,589	4,589
OTHER FED. FUNDS	551,610	920,512	958,878	958,878	958	1.0*	1.0*	1.0
	*	*	*	150,010	770 *	958	958	958
TRUST FUNDS	736,753	788,600	798,371	812.962		*	*	
	*	*	9.00*	9.00*	813	813	813	813
INTERDEPT. TRANSFER	400,618	512,295	903,884	903,884	9.0*	9.0*	9.0*	9.0
	14.00*	14.00*	14.00*		904	904	904	904
REVOLVING FUND	5,453,537	10,763,561	10,827,187	14.00*	14.0*	14.0*	14.0*	14.0
	2, 120, 20.	10,700,501	10,027,187	10,827,187	10,827	10,827	10,827	10,827
CAPITAL IMPROVEMENT COSTS					t			
PLANS	551,000	680,000	151,000	46,000				
LAND ACQUISITION	54,000	125,000	125,000	125,000	21			
DESIGN	1,107,000	852,000	691,000	303,000				
CONSTRUCTION	10,679,000	5,344,000	3,457,000	1,999,000				
EQUIPMENT	652,000	50,000	2, 121, 1000	1,000				
TOTAL CAPITAL EXPENDITURES	13,043,000	7,051,000	4,424,000	2,474,000	21			
,	***********			=========		=======		========
BY MEANS OF FINANCING								
G.O. BONDS	12 202 000	F FF4 Acc						
OTHER FED. FUNDS	12,293,000	5,551,000	3,424,000	2,474,000	21			
OTHER FED. FUNDS	750,000	1,500,000	1,000,000	!				
TOTAL POSITIONS	312.50*	295.50*	299.50*	299.50*	200 50:	000 50		
TOTAL PROGRAM COST	36,072,221	36.819.081	35,615,205		299.50*	299.50*	299.50*	299.50
	=======================================	===========	37,617,207	33,679,796	31,221	31,200	31,200	31,200

# **Department of Agriculture** (Capital Improvements Budget)

	<u>FY 2006</u>	<b>FY 2007</b>
Funding Sources:		
General Obligation Bonds	1,100,000	2,000,000
Total Requirements	1,100,000	2,000,000

## Highlights of the Executive CIP Budget Request (general obligation bond funds):

- 1. Provided \$750,000 in FY 06 and \$2,000,000 in FY 07 for ongoing improvements to the Molokai Irrigation System, currently undergoing emergency repairs.
- 2. Provided \$350,000 in FY 06 for Waimea Irrigation System improvements.

STATE OF HAWAII PROGRAM ID

## REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 213

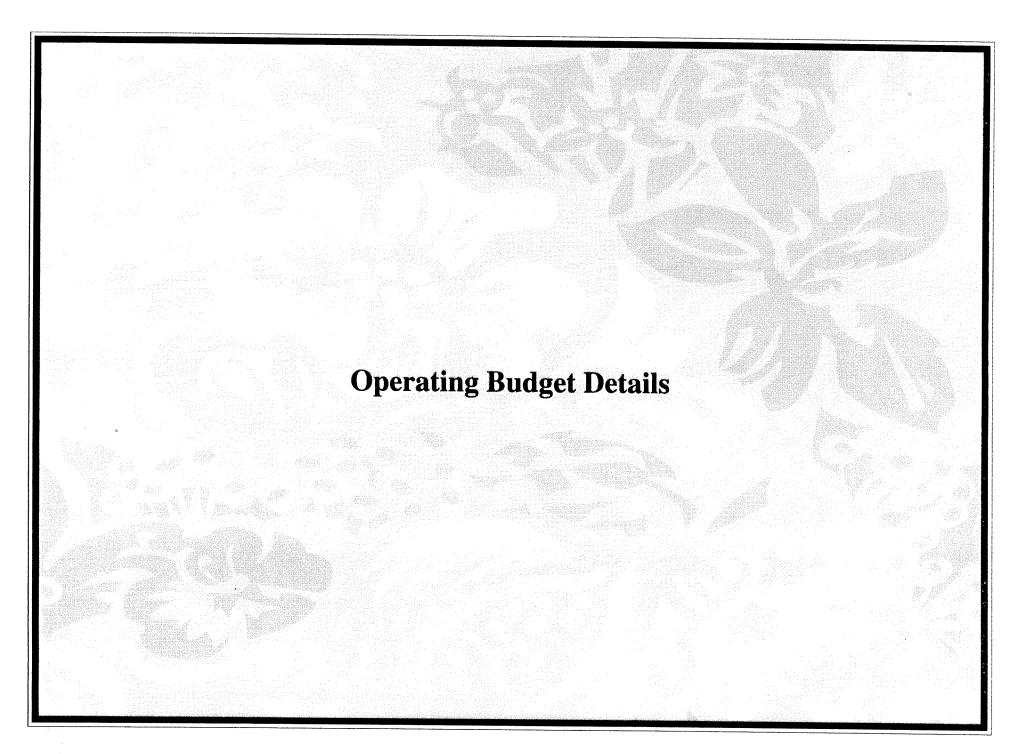
PROGRAM STRUCTURE NO.

PROGRAM TITLE

## DEPARTMENT OF AGRICULTURE

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PRO	PROJECT TITLE  BUDGET PERIOD									
NONDEN	NONDER	COST	ELEMENT/MOF	PROJECT Total	PRIOR YRS	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07 08	FY 08-09	FY 09-10	FY 10-11	SUCCEED YEARS
		PLAN: LAND	3	2,516 438	1,840 188	500	125 250	51						
		DESI	GN .	4,172	3,706	1	176	289						
		CONS	TRUCTION	53,069	40,664	2,698	6,948	760	1,999					
		EQUI	PMENT	1,026	773	1	251		. 1					
		T	DTAL	61,221	47,171	3,200	7,750	1,100	2,000					
		GENE	RAL FUND	135	135									
		G.O.	BONDS	53,511	42,861	3,050	4,500	1,100	2,000					
		OTHE	R FED. FUN	7.575	4,175	150	3,250							

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## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

PROGRAM STRUCTURE NO. 01

PROGRAM TITLE:

ECONOMIC DEVELOPMENT

		IN DOLL	ARS			TN THOUS		
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	275.50*	260.50*	261.50*	261.50*	261.5*	261.5*	261.5*	261.5*
PERSONAL SERVICES	13,173,634	14,496,627	15,261,824	15,276,415	15,273	15,273	15,273	15,273
OTHER CURRENT EXPENSES	7,679,349	12,719,627	13,214,348	13,214,348	13,212	13,212	13,212	13,212
EQUIPMENT	120,546	9,000	9,000	9,000	9	9	9	13,212
MOTOR VEHICLE	83,512	40,800	40,800	40,800	41	41	41	41
TOTAL OPERATING COST	21,057,041	27,266,054	28,525,972	28,540,563	28,535	28,535	28,535	28,535
			######################################			*******	######	****
BY MEANS OF FINANCING				i i				
	205.50*	193.50*	193.50*	193.50*	193.5*	193.5*	193.5*	193.5*
GENERAL FUND	10,866,906	10,787,205	11,605,353	11,605,353	11,602	11,602	11,602	11,602
	60.00*	57.00*	49.00*	49.00*	49.0*	49.0*	49.0*	49.0*
SPECIAL FUND	3,754,258	4,599,336	4,589,626	4,589,626	4,589	4,589	4,589	4,589
	*	*	*	*!	*	*	7,207	
OTHER FED. FUNDS	273,670	537,120	540,072	540,072	539	539 <sup>°</sup>	F20	*
	*	*	*	*!	, , , , , , , , , , , , , , , , , , ,	737	539	539
TRUST FUNDS	736,753	788,600	798,371	· I		-	*	*
111001 101100	730,793	**	9.00*	812,962 9.00*	813	813	813	813
INTERDEPT. TRANSFER	400,618	512,295			9.0*	9.0*	9.0*	9.0*
INTERDET IN TRANSPER.	10.00*	10.00*	903,884	903,884	904	904	904	904
REVOLVING FUND	5,024,836		10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
KEYDEYING FUND	5,024,836	10,041,498	10,088,666	10,088,666	10,088	10,088	10,088	10,088
CAPITAL IMPROVEMENT COSTS								
PLANS	551,000	680,000	151,000	46,000				
LAND ACQUISITION	54,000	125,000	125,000	125,000	21			
DESIGN	1,107,000	852,000	691,000	303,000	••			
CONSTRUCTION	10,679,000	5,344,000	3,457,000	1,999,000				
EQUIPMENT	652,000	50,000	2, 15.,000	1,000				
TOTAL CAPITAL EXPENDITURES	13,043,000	7,051,000	4,424,000	2,474,000	21			
	********	**************************************		=======================================	22222222	======	=======	
BY MEANS OF FINANCING								
G.O. BONDS	12,293,000	5,551,000	3 /0/ 000	0 /7/ 000				
OTHER FED. FUNDS			3,424,000	2,474,000	21			
OTHER FED. FORDS	750,000	1,500,000	1,000,000	į				
TOTAL POSITIONS	275.50*	260.50*	261.50*	261.50*	261.50*	261.50*	261.50*	261.50*
TOTAL PROGRAM COST	34,100,041	34,317,054	32,949,972	31,014,563	28,556	28,535	28.535	
		===========		============	20,550	20,737	,	28,535
							========	=======

PROGRAM ID:

AGR101

PROGRAM STRUCTURE NO. 010301

PROGRAM TITLE:

FINANCIAL ASSISTANCE FOR AGRICULTURE

		IN DOLL	ARS			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
PERSONAL SERVICES	562,224	690,514	719.544	719.544	719	719	719	719
OTHER CURRENT EXPENSES	3,078,126	5,334,659	5,334,659	5,334,659	5,335	5,335	5,335	5,335
TOTAL OPERATING COST	3,640,350	6,025,173	6,054,203	6,054,203	6.054	6.054	6.054	6,054
	*********						******	=======
BY MEANS OF FINANCING				!				
	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
SPECIAL FUND	818,647	1,025,173	1,054,203	1,054,203	1,054	1,054	1,054	1,054
REVOLVING FUND	2,821,703	5,000,000	5,000,000	5,000,000	5,000	5,000	5,000	5,000
TOTAL POSITIONS	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*
TOTAL PROGRAM COST	3,640,350	6,025,173	6,054,203	6,054,203	6,054	6,054	6.054	6,054
			=======================================		=======			

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-101

PROGRAM STRUCTURE NO: 010301

PROGRAM TITLE:

FINANCIAL ASSISTANCE FOR AGRICULTURE

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS		<u> </u>						
1 ANN GROSS FARM INCOME GEN BY NEW BORROWERS (OOO'S) 2 ANNUAL ACREAGE CULTIVATED BY BORROWERS	9354 48412	3000 35000						
3 DELINQUENCY RATE (AS A % OF TOTAL OUTSTANDING)	3.79	10	10	10	10	10	10	10
4 AMOUNT OF EMPLOYEES HIRED BY BORROWERS	138	1000	100	100	100	100	100	100
5 AMT FINANCG FM OTH CREDIT SOURCES THRU STATE LOANS	1928	700	900	1200	1500	1500	1500	1500
PROGRAM TARGET GROUPS								
1 POTENTIAL QUALIFIED FARMERS/NEW FARMERS	5300	5300	5300	5300	5300	5300	5300	5300
2 POTENTIAL QUALIFIED AQUACULTURISTS	70	70	70	70	70	70	70	70
3 AGRICULTURAL/AQUACULTURE COOPERATIVES	25	25	25	25	25	25	25	25
4 CREDIT SOURCES UTILIZING AGRICULTURAL LOAN PROGRAM	25	25	25	25	25	25	25	25
5 CREDIT SOURCES UTILIZING AQUACULTURAL LOAN PROGRAM	25	25	25	25	25	25	25	25
PROGRAM ACTIVITIES								
1 COLLECTIONS: AMOUNT (\$000'S)	3444	2800	3023	4021	3382	6872	3501	3747
2 LOANS APPROVED: NUMBER	23	25	25	25	25	25	25	25
3 LOANS APPROVED: AMOUNT (\$000'S)	3302	3500	3500	3500	3500	3500	3500	3500
4 PARTICPATION, COOP, INSURED, GUARNTY LOANS: NUMBER	6	6	7	9	12	15	15	15
5 PARTIC, COOP, INSURD, GUARNTY LOANS:AMT (\$000'S)	1000	1000	1000	1000	1000	1000	1000	1000
6 SERVICING/COUNSELING (EXISTG BORROWERS): NUMBER	1884	1500	1500	1500	1500	1500	1500	1500
7 INQUIRIES/COUNSELING (APPLICANTS): NUMBER	542	600	600	600	600	600	600	600
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER	1,196	1,298	1,303	1,302	1,222	1,171	1,157	1,195
CHARGES FOR CURRENT SERVICES	1	1	1	1	1	1	1	1
FINES, FORFEITS AND PENALTIES	<u>-</u>	-	•	-	•	•		-
NON-REVENUE RECEIPTS	3,853	2,667	1,977	2,941	2,343	2,472	2,494	2,697
TOTAL PROGRAM REVENUES	5,050	3,966	3,281	4,244	3,566	3,644	3,652	3,893
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	F DOLLARS):							
ALL OTHER FUNDS	3,671	2,654	1,969	2,934	2,335	2,470	2,494	2,697
SPECIAL FUNDS	1,195	1,297	1,303	1,302	1,223	1,172	1,158	1,196
GENERAL FUND	183	15	9	8	8	2	1,190	1,170
TOTAL PROGRAM REVENUES	5,049	3,966	3,281	4,244	3,566	3,644	3,652	3,893

#### AGR 101: FINANCIAL ASSISTANCE FOR AGRICULTURE

#### A. Statement of Program Objectives

To promote the agricultural and aquacultural development of the State by stimulating, facilitating, and granting loans and providing related financial services to qualified farmers, new farmers, food manufacturers and qualified aquaculturists.

#### B. Description of Request and Compliance with Section 37-68 (1)(A)(B)

The budget request for the FB 2006-07 reflects a current services funding level based on the FY 05 allocation. There are no additional funds or programs being requested.

## C. <u>Description of Activities Performed</u>

Assist farmers (including new farmers and farm organizations) and aquaculturists in securing credit from private lenders through participation with lenders, insuring private lender loans, cooperating with other lenders, or on a direct loan basis. Special emphasis is placed on loan servicing, including management and financial counseling.

The program's activities include providing loans to farmers who are unable to obtain credit from private lenders, to qualified new farmers under the New Farmer Program who are establishing a new farming enterprise, to food manufacturers that use Hawaii-grown agricultural commodities, to qualified aquaculturists, to agricultural cooperatives providing a farm service to its members, and to farmers on Department of Hawaiian Home Lands who require operating loans. The program also makes micro-loans (loans of \$25,000 and under) to assist displaced agricultural workers and emergency loans during times of emergencies such as adverse weather and disease outbreaks.

Twenty-three loans totaling \$3.3 million were approved through the program during FY04. Financial assistance was provided to variety of farm operations throughout the State including dairy, hogs, strawberries, nursery, orchard and truck crops.

Collections for FY04 totaled \$3.444 million including \$895,131 in interest and \$2.549 million in principal. Fourteen loans were modified during FY04 to assist the farmers with deferred payments, loan restructuring, extensions, subordinations and change in use of funds.

#### D. Statement of Key Policies

Expand both the Agricultural and Aquacultural Loan Programs to further diversify this sector of the State's economic base.

Facilitate financing by other lenders such as banks, farm credit banks and other credit sources. Expand credit sources by seeking additional funding resources such as participation, insured and cooperating loans and facilitating loans by other lenders to maximize the State's limited resources.

Provide agriculture and aquaculture producers with credit during times of emergency when other sources of financing is not available.

Policies are in accordance with the economic objectives of the State Agriculture Plan's economic implementing actions for diversified agriculture and aquaculture (Chapter VI D).

#### E. Identification of Important Program Relationships

A constant liaison is maintained with various private lenders; farm organizations; farm credit banks; various U.S., State, and County agencies such as the Farm Service Agency and the University of Hawaii.

Most of the borrowers under the Agricultural and Aquacultural Loan Programs require considerable oversight in management and financial counseling. In some cases production problems may not have any precedent and data is scarce

or unavailable. In addition, constant evaluation of the borrowers' progress and adequacy of collateral through loan servicing is required.

## F. <u>Description of Major External Trends Affecting the Program</u>

During the past few years, Hawaii's diversified agriculture industry has undergone major changes including new crops, larger scale operations, increased regulations, tax and theft issues. At the same time the lending industry was also undergoing changes including credit scoring of loans, entrance of micro and community lenders, mergers and restructuring of commercial banks. The Division has been conducting a major outreach effort to farmers and lenders to keep them aware of the program and to encourage a cooperative effort between lenders to encourage sufficient funding for Hawaii farm operations. The Division has begun seeing the results of these efforts and in FY 04 26% of the loans approved were done in conjunction with other lenders.

## G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

The Division has experienced an increase in loan activity for FY 04 and expects loan activity to increase due to the influx of entrepreneurs that have recently entered diversified agriculture, the broadening of the loan program's outreach effort, and the overall growth of diversified agriculture. It should be noted, however, that to help balance the budget, \$2.0 million in FY 03 was transferred from the Division's revolving loan funds to the State's general fund. In FY 04, \$900,000 was transferred for the same purpose. In the future, the Division may need to consider requesting additional monies from the general fund to satisfy future loan requests.

Presently, all operational costs incurred in administering the Aquaculture Loan Program are incurred by the Agricultural Loan Program. This has been primarily due to the limited activity in aquaculture and overlapping jurisdictional responsibilities of both programs.

## H. <u>Discussion of Program Revenues</u>

Revenues are generated through interest and fees collected on loans. These revenues are deposited into the Agricultural Loan Reserve Fund or the Aquaculture Loan Reserve Fund. Principal payments are deposited into the Agricultural Loan Revolving Fund or the Aquaculture Loan Revolving Fund. The Department has the flexibility to transfer funds between the Agricultural Loan Revolving Fund and the Aquaculture Loan Revolving Fund, as the need arises.

## I. <u>Summary of Analysis Performed</u>

None

#### J. Further Consideration

None

## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR122

PROGRAM STRUCTURE NO. 01030201

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

		IN DOLL	ARS			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	94.00*	85.00*	97.00*	97.00*	97.0*	97.0*	97.0*	97.0*
PERSONAL SERVICES	4,507,313	4,881,632	5,484,157	5,498,748	5,497	5,497	5,497	5,497
OTHER CURRENT EXPENSES	432,773	488,826	488,826	488,826	489	489	489	489
EQUIPMENT	58,069	9,000	9,000	9,000	9	9	9	9
MOTOR VEHICLE	1,172							
TOTAL OPERATING COST	4,999,327	5,379,458	5,981,983	5,996,574	5.995	5,995	5,995	5,995
	==========			=======================================			========	=======
BY MEANS OF FINANCING				:				
	94.00*	85.00*	88.00*	88.00*	88.0*	88.0*	88.0*	88.0*
GENERAL FUND	4,244,677	4,334,752	4,602,903	4,602,903	4,602	4,602	4,602	4,602
OTHER FED. FUNDS	207,765	324,581	327,533	327,533	327	327	327	327
	*	*	*	*	*	*	*	*
TRUST FUNDS	457,069	488,600	498,371	512,962	513	513	513	513
	*	*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
INTERDEPT. TRANSFER	78,303	173,165	494,816	494,816	495	495	495	495
REVOLVING FUND	11,513	58,360	58,360	58,360	58	58	58	58
TOTAL POSITIONS	94.00*	85.00*	97.00*	97.00*	97.00*	97.00*	97.00*	97.00*
TOTAL PROGRAM COST	4,999,327	5,379,458	5,981,983	5,996,574	5,995	5,995	5,995	5,995
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## PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID:

AGR-122

PROGRAM STRUCTURE NO: 01030201

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS	make make plant copes upon upon page anal.					670 File and the way one was war and		
1 EST ECON LOSSES AVERT BY BIO/CHEM/MECH CNTL (\$000)	29200	29850	30500	31150	31800	32450	33100	33750
2 # REST/PROH PARCELS INTERCEPTED AS % TOT INSPECTED	0.001	0.001	0.004	0.004	0.004	0.004	0.004	0.004
3 # INSECT INTERCEPTIONS	1590	1500	1000	1000	1000	1000	1000	1000
4 # INTERCEPTED INSECT SPECIES NOT OCCURRG IN HAWAII	669	500	400	400	400	400	400	400
5 # PROH ANIMALS INTERCEPTED OR CONFISCATED	460	500	500	500	500	500	500	500
6 # CURRENT CHEM/MECH PROJ UND CONT AS % PROJ ATT	60	67	60	60	60	60	60	. 60
7 # CURRENT BIO CONT PROJ UND CONT AS % PROJ ATT	50	50	50	50	50	50	50	50
8 COMPL RATE CERT NURS & PT OF ORIGIN EXP INSP	95	95	98	98	98	98	98	98
ROGRAM TARGET GROUPS								
1 NO OF AIRCRAFT & SHIP ARRIVALS (THOUSANDS)	27	28	25	25	25	25	25	25
2 NO OF AIR & SEA PASSENGER ARRIVALS (THOUSANDS)	4268	4800	4800	4800	4800	4800	4800	4800
3 NO OF REG BAGGAGE CARGO & MAIL (PARCELS IN 1000'S)	13.9	13	30	30	30	30	30	30
4 NO OF IMPORT PERMIT REQUESTS	1104	1200	1500	1500	1500	1500	1500	1500
5 NO SITES REQUIRING POST-ENTRY INSPECTIONS	100	100	100	100	100	100	100	100
6 NO. OF CERTIFIED NURSERIES	317	340	340	340	340	340	340	340
7 # NEW NOXIOUS WEED INFESTATIONS	1	1	1	1	1	1	1	1
8 #WIDESPREAD NOX WEED INFESTATIONS	30	30	28	28	28	28	28	28
9 # NEW INFEST OF INSECTS & OTH PESTS	22	20	22	24	24	24	24	24
10 # WIDESPREAD INFEST OF INSECTS & OTH PESTS	290	298	306	314	322	330	338	346
ROGRAM ACTIVITIES								
1 NO OF AIRCRAFT & SHIPS MONITORED (THOUSANDS)	27	28	28	28	28	28	28	28
2 NO OF AIR & SEA PASSENGERS MONITORED (THOUSANDS)	4268	4800	5400	5400	5400	5400	5400	5400
3 # BAGGAGE, CARGO, MAIL INSPECTED (THOUSANDS)	12452	13000	14000	14000	14000	14000	14000	14000
4 # IMPORT PERMITS ISSUED	1006	1200	1500	1500	1500	1500	1500	1500
5 # POST-ENTRY INSPECTIONS CONDUCTED	1350	1400	2000	2000	2000	2000	2000	2000
6 # OF CERTIFIED NURSERY INSPECTIONS	549	600	700	700	700	700	700	700
7 # CHEM/MECH CONTROL & ERADICATION PROJECTS	5	5	5	14	14	14	14	14
8 SEED CERTIFICATION FOR GENERIC PURITY (# OF LOTS)	400	400	400	400	400	400	400	400
9 BIOLOGICAL CONTROL OF PEST SPECIES (PROJECTS)	15	15	15	15	15	15	15	15
10 SEED TEST & ANALYSIS (# OF LOTS)	150	150	150	200	200	200	200	200
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES		_						
LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY	1	1	1	1	1	1	1	1
REVENUE FROM OTHER AGENCIES: FEDERAL	546	230	230	230	230	230	230	230
ALL OTHER							230	230
CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES	127	223	223	223	223	223	223	223
NON-REVENUE RECEIPTS	467	450	450	450	450	450	450	450
TOTAL PROGRAM REVENUES	1,141	904	904	904	904	904	904	904
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	F DOLLARS):			•				
GENERAL FUND	36	31	31	31	31	31	31	31
ALL OTHER FUNDS	559	643	643	643	643	643	643	643
				<del>-</del>		049	043	043
•			233					

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID:

AGR-122

PROGRAM STRUCTURE NO: 01030201

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	
SPECIAL FUNDS	546	230	230	230	230	230	230	230	
TOTAL PROGRAM REVENUES	1,141	904	904	904	904	904	904	904	

#### A. Statement of Program Objectives

To protect Hawaii's agricultural and horticultural industries, natural resources, and general public by preventing the introduction and establishment of harmful insects, diseases, illegal non-domestic animals, and other pests; to conduct effective plant pest control activities; and to enhance agricultural productivity and agribusiness development by facilitating export shipments of agricultural and horticultural materials and products.

## B. Description of Request and Compliance with Act 263, SLH 1994

The budget request for the FB 05-07 reflects current services funding level based on the FY 05 allocation. Budget requests are being submitted for the following:

1) Restore federal and interdepartmental transfer funded Plant Quarantine
Inspector positions that were deleted from the budget in Act 41, SLH 2004 and reappropriated in Act 154, SLH 2004; 2) Add eight interdepartmental transfer funded Plant Quarantine Inspector positions to implement the Alien Species Action Plan; 3) Add two general funded Plant Quarantine Inspector positions for brown tree snake detection activities; and 3) Add one general funded Plant Quarantine. Inspector position to serve as a biotechnology specialist.

## C. <u>Description of Activities Performed</u>

This program protects Hawaii's agricultural industries and natural resources against the entry and spread of harmful insects, diseases, and other pests including noxious weeds through the following activities: a) Review and issuance of importation permits for all non-domestic animals, plants, and microorganisms; pre- and postentry inspection of holding sites; b) Inspection of all agricultural materials and surveillance of personal baggage arriving from domestic ports through civilian and military aircraft and surface vessels; c) Inspection, as needed, of agricultural materials arriving from foreign ports through civilian and surface vessels; d)

Inspection of all military and domestic aircraft and cargo from Guam for brown tree snakes; e) Investigation of illegal entry of plants, non-domestic animal and microorganisms; f) Seminars and lectures to assure public awareness of the environmental impact of illegal animals and other alien species; g) Inspection of agricultural mail parcels including first class mail (plants only but not animals); h) Inspection of agricultural products and horticultural materials and non-domestic animals transported between the islands; i) Inspection, treatment when required, and certification of horticultural materials and agricultural products for export to the U.S. mainland or to foreign countries; j) Surveillance, detection, identification and mapping of plant pathogens, weeds, insects, and other invertebrate pests new to the State of Hawaii; k) Worldwide exploration for and study in quarantine of potential beneficial organisms to control priority pests in Hawaii; l) Biological control of priority weeds, insects, and other invertebrates using beneficial pathogens, parasitoids, and other organisms; m) Chemical/mechanical control of plant pathogens, noxious weeds, insects, plant diseases and other pests to eradicate, contain, or control their numbers to reduce damage and "buy time" for biocontrol activities to be explored; n) Chemical control of weeds where supervision and/or expertise is provided to landowners and land occupiers or where cooperative assistance is sought from private sector and other state, federal, or county agencies.

## D. Statement of Key Policies

To maintain an effective plant and non-domestic animal quarantine program to reduce the number of new plant pest and disease introductions into Hawaii; to assist the agricultural and horticultural industries and the general public of Hawaii to meet the quarantine requirements of other states and countries for the export of their products through inspection, disinfestation and certification services.

To eradicate incipient plant pest infestations of importance to the agricultural industry. When infestations become widespread and eradication becomes economically unfeasible, controls by chemical, biological and integrated means are employed to lessen the adverse impact of these pests on agricultural crops. Control

by biological means is employed to lessen the adverse effects of pests in forests and conservation lands and to moderate the use of pesticides on agricultural crops where possible.

#### E. <u>Identification of Important Program Relationships</u>

The U.S. Department of Agriculture, Animal and Plant Health Inspection Service and the Hawaii Department of Agriculture's (HDOA) Plant Quarantine Programs have similar roles in preventing the entry of agricultural pests into Hawaii. The USDA program is designed to cover inspections of all foreign arrivals while the HDOA's role is the inspection of all domestic arrivals. USDA's Agricultural Research Service, U.S. Forest Service and the University of Hawaii (UH) conduct biocontrol research coordinated with the HDOA. The UH conducts research on chemicals for pest control and coordinates with HDOA for field-testing, education and dissemination of information relating to control of noxious weeds and other plant pests. The HDOA also: a) Works closely with the USDA-APHIS to develop a strong pest and pathogen surveillance and detection system under Homeland Security, and with UH-CTAHR in developing pest control strategies for pests, like coqui frog and nettle caterpillar; b) Coordinates efforts with the State Departments of Health, Transportation, Education, Land and Natural Resources, and Hawaiian Home Lands, various county departments, and federal agencies conduct pest control programs; and c) Assists the Departments of Health and Land and Natural Resources as well as other Federal and private agencies in conducting risk assessment reviews of organisms before seeking approval for entry into the State.

#### F. Description of Major External Trends Affecting the Program

The Federal Plant Protection Act prohibits states from imposing restrictions more stringent then federal quarantines so Hawaii cannot impose special requirements (e.g., treatment of plants prior to shipment) to prevent entry of certain high-risk pests such as the red-imported-fire ant. The Act further prohibits states from regulating foreign commerce. As a result, Hawaii has no authority to prevent the

transshipment of high-risk agricultural products through the state in transit to U.S. mainland markets if approved by USDA. Invasive species are an international concern and many believe Hawaii needs to do more to prevent entry of non-native plants and animals. Others have expressed concern that Hawaii's restrictive quarantine regulations stifle research and economic development. Research on the use of beneficial insects and pathogens for the control of harmful insects and weeds has become increasingly difficult as a result of federal and state regulations in place to prevent the introduction of invasive species. Additional permitting, public notification and testing requirements add time and costs to projects.

## G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

The FB 2004-05 funding level will not result in any new programs unless existing programs are re-prioritized.

## H. <u>Discussion of Program Revenues</u>

Program revenues are generated from fees collected on services provided for: (1) import permits and related inspections; (2) burrowing nematode testing; (3) nursery certifications; (4) quarantine housing; (5) issuing citations; (6) honey bee certifications; (7) issuing seed importers' licenses; and (8) seed testing.

#### I. Summary of Analysis Performed

None.

#### Further Consideration

No new programs can be implemented without re-prioritization. More cooperation and participation is being sought from industry, the private sector and other government agencies directly or through the Coordinated Group on Alien Pest Species to facilitate and/or participate in pest control and certification activities.

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REPORT P61-A

PROGRAM ID:

AGR131

PROGRAM STRUCTURE NO. 0103020201

PROGRAM TITLE:

RABIES QUARANTINE

PROCESS AND		IN DOLL	.ARS	SIN THOUSANDS				
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	45.00*	42.00*	34.00*	34.00*	34.0*	34.0*	34.0*	34.0*
PERSONAL SERVICES	1,800,632	1,844,319	1,793,913	1,793,913	1,794	1,794	1,794	1,794
OTHER CURRENT EXPENSES EQUIPMENT	649,929 21,340	1,007,455	1,007,455	1,007,455	1,007	1,007	1,007	1,794
MOTOR VEHICLE	16,256	20,800	20,800	20,800	21	21	21	21
TOTAL OPERATING COST	2,488,157	2,872,574	2,822,168	2,822,168	2,822	2,822	2.822	2,822
	**********			=======================================		=========	*******	======
BY MEANS OF FINANCING				!				
	45.00*	42.00*	34.00*	34.00*	34.0*	34.0*	34.0*	34.0*
SPECIAL FUND	2,488,157	2,872,574	2,822,168	2,822,168	2,822	2,822	2,822	2,822
CAPITAL IMPROVEMENT COSTS								
CONSTRUCTION	231,000							
TOTAL CAPITAL EXPENDITURES	231,000						***************************************	
	=======================================	22222222222222222222222222222222222222	========	========	annt	=======	======	ZZZZZZZ
BY MEANS OF FINANCING				\$				
G.O. BONDS	231,000							
TOTAL POSITIONS	45.00*	42.00*	24 00#	24 000	24 .00:	A. A.		
TOTAL PROGRAM COST	2,719,157		34.00*	34.00*	34.00*	34.00*	34.00*	34.00*
TOTAL THOUNANT COUT	2,717,157	2,872,574	2,822,168	2,822,168	2,822	2,822	2,822	2,822
							========	=======

## PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID:

AGR-131

PROGRAM STRUCTURE NO: 0103020201

PROGRAM TITLE:

RABIES QUARANTINE

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS					,			
1 NO. OF CASES OF RABIES IN THE COMMUNITY 2 NO. OF ALIEN PESTS DETECTED	0 1	0 1	0 1	0 1	0 1	0 1	0 1	0 1
PROGRAM TARGET GROUPS							•	
1 DOGS AND CATS QUARANTINED 2 POPULATION OF HAWAII (THOUSANDS)	1530 1226.3	1530 1236.1	1530 1247.2	1530 1258.5	1530 1258.5	1530 1258.5	1530 1258.5	1530 1258.5
PROGRAM ACTIVITIES								
1 NO. OF DOGS AND CATS QUARANTINED - 120 DAYS 2 # OF DOGS AND CATS QUARANTIND - LESS THAN 120 DAYS 3 #QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRYL 4 NO. OF DOGS & CATS QUARANTINED - IN TRANSIT 5 NO. OF SATELLITE & APPRYD VET FACIL MONITORED 6 NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES 7 NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES 8 # SERVICE DOG & ELIG GUIDE DOG ENTRIES PROCESSED PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):	788 742 5276 386 26 4100 3000 135	800 750 5400 350 26 4100 3000	800 750 5400 350 26 4100 3000	800 750 5400 350 26 4100 3000 150	800 750 5400 350 26 4100 3000	800 750 5400 350 26 4100 3000 150	800 750 5400 350 26 4100 3000 150	800 750 5400 350 26 4100 3000 150
TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER	37	16	1	1	1	1	. 1	1
CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	2,240	1,600 800	2,100	2,100	2,100	2,100	2,100	2,100
TOTAL PROGRAM REVENUES	2,277	2,416	2,101	2,101	2,101	2,101	2,101	2,101
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	F DOLLARS):							
SPECIAL FUNDS	2,276	2,416	2,101	2,101	2,101	2,101	2,101	2,101
TOTAL PROGRAM REVENUES	2,276	2,416	2,101	2,101	2,101	2,101	2,101	2,101

## A. Statement of Program Objectives

To protect animal and public health by preventing the introduction of rabies and animal diseases in imported cats and dogs through import regulation, quarantine, and monitoring of animal entries for alien pests and diseases.

## B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The budget request for the FB 2005 –07 reflects the current services funding level based on FY 05 allocation. A budget request is being submitted to delete from the budget eight permanent Animal Quarantine Caretaker positions that have been or are currently going through an approved reduction in force process and where the positions have been or will be abolished.

## C. Description of Activities Performed

Dogs and cats meeting specific pre and post arrival requirements may qualify after an arrival inspection, for direct release at Honolulu International Airport. All other cats, dogs and related carnivores entering our State, except from designated rabies free areas, are confined at the Animal Quarantine Station in order to observe these animals for symptoms of rabies. The Animal Quarantine Station in Halawa Valley and the Airport Animal Holding Facility located at the Honolulu International Airport are maintained to carry out these activities.

## D. Statement of Key Policies Pursued

Reduce the likelihood that rabies virus will be introduced and established in Hawaii and prevent the introduction of alien species of external animal parasites such as ticks. A 120-day confinement of cats, dogs, and other carnivores is considered one approach to prevent the introduction of rabies from areas with significant incidence

of animal rabies, such as the continental United States, into rabies free areas such as Hawaii.

An alternative program was implemented in 1997 to allow for 30-day animal confinement if specific pre- and post-arrival requirements are met. Such requirements include implantation of an electronic microchip for identification, two rabies vaccinations administered no less than 90 days apart and at least 90 days before arrival, and demonstration of an acceptable level of rabies serum antibodies at least 90 days before arrival. In June 2003 a five days or less program was added with the difference that an acceptable level of rabies serum antibodies must be demonstrated at least 120 days before arrival. Pets qualified for this new option may be released directly to the owner at Honolulu International Airport after inspection or quarantined for 1 to 5 days.

## E. Identification of Important Program Relationships

Activities are coordinated with the Livestock Disease Control Branch, Animal Industry Division, with respect to the inspection of dogs and cats entering the State.

#### F. Description of Major External Trends Affecting the Program

Seasonal movement of families in the civilian and military communities contributes to the fluctuation in the number of animals arriving in the State each year. The five day or less program was enhanced in February 2004 to ease restrictions for resident Hawaii dogs and cats to travel out of the State and return in addition to allowing animals that arrive before 120 days after passing the rabies serological test to qualify for a reduced confinement option by remaining in quarantine until the 120 day waiting period is completed. FY 2004 exhibited a trend towards more animals qualifying for five day or less and airport release resulting in fewer animals in quarantine. Overall, the reduced

confinement quarantine program has resulted in about a 50% increase in the number of incoming dogs and cats.

#### G. Discussion of Cost, Effectiveness, and Program Size Data

As a special fund program, the rabies quarantine program must operate on a self-supporting basis. The challenge of management is to keep operational costs in line with revenues and to adjust the fee structure/expenditure to balance expenses and revenues.

Furthermore, although reductions were made in operating costs and the total number of permanent positions within the Animal Quarantine Program has been reduced from 45 (all at the animal quarantine station) in FY 03, to 34 (31 at the animal quarantine station and 3 at the airport), program expenditures are expected to exceed revenue in FY 05.

#### H. Discussion of Program Revenue

Program revenue is derived primarily from fees for dogs and cats processed through or quarantined by the program. Fees implemented in July 1999 and amended in July 2003 to add the five day or less program, are currently in effect. Due to the success of the 5-day or less program and direct animal release from the airport, user fee revenue has decreased significantly. The decrease is primarily a result of the high qualification rate (77% for FY 04) for airport release that is expected to exceed 85% for FY 05. Although the number of animals completing quarantine increased from 4,548 to 6,834 from FY 03 to FY 04, it is anticipated revenue will not meet expenditures in FY 05. Recent legislative actions that transferred money from the animal quarantine special fund to the general fund had a substantial negative impact on the financial stability of the program.

#### I. Summary of Analysis Performed

Experience gained through the administering of the five-day-or-less program will make any further modifications easier to implement as well as provide data to evaluate the full effect of the modifications implemented in June 2003 and February 2004. Preliminary effects on the population of animals at the Animal Quarantine Station resulted in the reduction of work force implemented in FY 04. Fee adjustments are anticipated based on analysis of expenditures and revenue relative to animal population dynamics.

#### J. Further Considerations

Further refinements to the 5-day-or-less program are under review by the Department.

REPORT P61-A

PROGRAM ID:

AGR132

PROGRAM STRUCTURE NO. 0103020202

PROGRAM TITLE:

ANIMAL DISEASE CONTROL

		IN DOLL	.ARS			IN THOUSANDS			
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11	
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES EQUIPMENT MOTOR VEHICLE	23.50* 1,251,545 169,497 3,685 18,082	22.50* 1,355,177 159,348	22.50* 1,456,834 159,348	22.50* 1,456,834 159,348	22.5* 1,456 159	22.5* 1,456 159	22.5* 1,456 159	22.5* 1,456 159	
TOTAL OPERATING COST	1,442,809	1,514,525	1,616,182	1,616,182	1,615	1,615	1,615	1,615	
BY MEANS OF FINANCING				!					
GENERAL FUND INTERDEPT. TRANSFER	23.50* 1,120,494 * 322,315	22.50* 1,175,395 * 339,130	22.50* 1,207,114 * 409,068	22.50* 1,207,114 * 409,068	22.5* 1,206 * 409	22.5* 1,206 * 409	22.5* 1,206 * 409	22.5* 1,206 * 409	
TOTAL POSITIONS TOTAL PROGRAM COST	23.50* 1,442,809	22.50* 1,514,525	22.50* 1,616,182	22.50* 1,616,182	22.50* 1,615	22.50* 1,615	22.50* 1,615	22.50* 1,615	

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-132

PROGRAM STRUCTURE NO: 0103020202

PROGRAM TITLE:

ANIMAL DISEASE CONTROL

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS		,		and had him min aim and had but you				
1 # 'DISEASE-FREE' STATUSES OBTAINED/MAINTAINED 2 # OIE DISEASES OF LIVESTK/POULT NOT PRES. IN STATE 3 #REG COOP DIS CNTRL/ ERAD, DIS STATUS PRGM PARTIC 4 #DIS CNTRL PROG IN PLACE W/PUBLIC HEALTH IMPACT	6 85 10 5	6 85 10 5	6 86 10 5	6 86 10 5	6 86 10 5	6 86 10 5	6 86 10 5	6 86 10 5
PROGRAM TARGET GROUPS								·
1 LIVESTOCK PRODUCERS 2 HUMAN POPULATION	1666 1258	1600 1270	1568 1283	1537 1296	1506 1308	1476 1322	1446 1335	1417 1348
PROGRAM ACTIVITIES								
1 #LIVESTK, FARMED EXOTIC ANIM INSP/TESTED ON ENTRY 2 #DAY-OLD CHICKS & HATCHING EGGS INSP ON ENTRY 3 # DOGS & CATS INSPECTED ON ENTRY INTO STATE 4 #POULT/OTH BRDS/COMP/NON-DOM ANIM INSP ON ENTRY 5 #SAMPLES COLL & ANIM FIELD-TESTD FOR DISEASE CONT 6 # DISEASE/FPIDEMIOLOGICAL INVESTIGATIONS CONDUCTED 7 #LAB SAMPLES COLL/PROC FOR FED/STATE DIS SURV PRGS 8 # LAB TESTS DONE FOR LIVESTCK/POULT DIS SURVEIL 9 # LAB TESTS CONDUCTED FOR LIVESTOCK IMP/EXPORTS 10 #LAB TESTS DONE FOR IMPORTED DOGS & CATS  PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):  TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY BEVENUES FROM OTHER AGENCIES: FEDERAL	21190 2176921 9362 20431 5538 15 78 23490 689 3670	21000 2100000 10500 20000 7500 15 80 20000 700 4000	20895 2089500 10605 19900 7000 15 100 20000 1000 4000	20791 2079053 10711 19801 7000 15 100 20000 1000 4000	20687 2068657 10818 19701 7000 15 100 20000 1000 4000	20583 2058314 10926 19603 7000 15 100 20000 1000 4000	20480 2048022 11036 19505 7000 15 100 20000 1000 4000	20378 2037782 11146 19407 7000 15 100 20000 1000 4000
ALL OTHER CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	324	339	362	374	<b>394</b>	412	412	412
TOTAL PROGRAM REVENUES	324	339	362	374	394	412	412	412
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF	F DOLLARS):							
GENERAL FUND	1	220	6	977	201	440		,
TOTAL PROGRAM REVENUES	323	339	362	374	394 394	412	412	412 412
1 #LIVESTK, FARMED EXOTIC ANIM INSP/TESTED ON ENTRY 2 #DAY-OLD CHICKS & HATCHING EGGS INSP ON ENTRY 3 # DOGS & CATS INSPECTED ON ENTRY INTO STATE 4 #POULT/OTH BRDS/COMP/NON-DOM ANIM INSP ON ENTRY 5 #SAMPLES COLL & ANIM FIELD-TESTD FOR DISEASE CONT 6 # DISEASE/EPIDEMIOLOGICAL INVESTIGATIONS CONDUCTED 7 #LAB SAMPLES COLL/PROC FOR FED/STATE DIS SURV PRGS 8 # LAB TESTS DONE FOR LIVESTCK/POULT DIS SURVEIL 9 # LAB TESTS CONDUCTED FOR LIVESTOCK IMP/EXPORTS 10 #LAB TESTS DONE FOR IMPORTED DOGS & CATS  PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):  TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER  CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS  TOTAL PROGRAM REVENUES  PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF GENERAL FUND ALL OTHER FUNDS	2176921 9362 20431 5538 15 78 23490 689 3670 324 F DOLLARS):	2100000 10500 20000 7500 15 80 20000 700 4000	2089500 10605 19900 7000 15 100 20000 1000 4000 362 362	2079053 10711 19801 7000 15 100 20000 1000 4000	2068657 10818 19701 7000 15 100 20000 1000 4000	2058314 10926 19603 7000 15 100 20000 1000 4000	2048022 11036 19505 7000 15 100 20000 1000 4000	

#### A. Statement of Program Objectives

To assist in the State's livestock and poultry industries in the production of disease free livestock, poultry and wholesome products and protect the public health through the prevention, detection, and control of livestock and poultry diseases.

#### B. <u>Description of Request and Compliance with Act 263, SLH 1994</u>

The budget request for the FB 06-07 reflects the current services funding level based on the FY 05 allocation. A budget request is being submitted for an additional interdepartmental transfer funded Livestock Inspector position and additional funds for fringe benefit costs.

#### C. Description of Activities Performed

- 1. Maintain animal and poultry health, conduct -surveillance and field investigations of diseases reported.
- Provide veterinary laboratory support for diagnosing diseases and deaths of animals, birds, and aquatic species.
- Conduct adopted State-Federal-Industry livestock disease control/eradication programs, such as Bovine Tuberculosis, Brucellosis and Pseudorabies.
- 4. Prevent entry of serious diseases affecting livestock and poultry into the State through such procedures as inspection, testing, quarantine, postmortem examinations and enforcement of regulations.
- 5. Register cattle brands and maintain the Hawaii Brand Book that is updated and published every 5 years.

6. Assist industry in the development and implementation of-voluntary disease control programs and advises industry on matters pertaining to animal health.

#### D. Statement of Key Policies

- 1. Control and prevent outbreaks of enzootic diseases.
- Eradicate diseases which are programmed for eradication because of their significant economic impact or because they are transmissible from animals to man.
- Prevent introduction of serious livestock and poultry diseases that may gain entry through imported animals and birds.
- 4. Serve as source of information for industry and public on matters relating to animal health.
- In line with the objectives of the Hawaii State Agriculture Plan, assist in
  efforts to improve production efficiency of the livestock and poultry
  industries.
- 6. Provide accurate diagnostic and surveillance tests for livestock, poultry, and aquatic industries to promote Hawaii's economic and public health.

#### E. Identification of Important Program Relationships

Disease control and eradication programs are conducted cooperatively with USDA-Veterinary Services, industry and liaison is maintained with animal health divisions in all other states. Also, there is close working relationship with such agencies and groups as the Department of Health, Department of Land and Natural Resources, University of Hawaii, Honolulu Zoo, Sea Life Park, private veterinary practitioners and livestock and poultry industries.

Under a formal agreement with the Department of Transportation, an Animal Holding Facility is maintained at the Honolulu International Airport for the purpose of inspecting and giving proper care to animals arriving by air transportation. The program maintains a close liaison with airline carriers, the military services, government agencies and the pet owning public.

#### F. Description of Major External Trends Affecting the Program

- Outbreaks of foreign animal diseases (i.e. Foot and Mouth Disease, Bovine Spongiform Encephalopathy, Newcastle, Avian Influenza, and West Nile virus) have resulted in import, inspection and surveillance activities being placed at a heightened state of alert and the establishment of rules for the purpose of preventing the entry of West Nile virus through imported birds and poultry.
- 2. Increase concerns related to animal origin microbes and diseases and their association with human illness outbreaks have resulted in the development of program activities designed to mitigate the potential risk of such outbreaks (i.e. program support of the Hawaii Egg Quality Assurance Plan for the reduction of Salmonella enteritidis in eggs, initiation of the Voluntary Scrapic Flock Certification in sheep and goats, increase surveillance for Bovine Spongiform Encephalopathy, and the implementation of a Voluntary Johne's Disease Control Program in cattle).
- Animal welfare concerns, environmental pollution with pesticides, international trade agreements, international economics, food/health/safety issues, and state of the art technological development in diagnostic veterinary medicine continue to be other major activities affecting animal industry programs.

## G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

At the FB 2006-07 funding level, program effectiveness is anticipated to remain at its current level..

## H. <u>Discussion of Program Revenues</u>

Revenues from the cattle brand registrations are used to maintain registry book.

## Summary of Analysis Performed

A survey of wildlife species on the island of Molokai has determined the focal presence of bovine tuberculosis in feral swine on the east end of the island. Surveys for Pseudorabies and Swine Brucellosis in feral swine show fairly widespread distribution on the islands of Oahu, Maui and Hawaii.

#### J. Further Consideration

The replacement schedule of various veterinary laboratory equipment which are old, outdated and unrepairable is in progress in order to meet updated safety guidelines and standards for conducting laboratory tests.

Bovine tuberculosis testing of cattle on the eastern end of Molokai from areas where feral swine were found to be infected continues to find no evidence of infection in cattle herds. However, the continued finding in feral swine necessitated movement restrictions being placed on cattle and feral swine from the eastern end of Molokai to insure no potential for infection spread. Several surveillance measures have been put in place to monitor cattle herds, statistically determine the prevalence rate of the infection in feral swine and rule out the presence of bovine tuberculosis infections in other species. A plan is being designed which will consider the focal eradication of bovine tuberculosis in feral swine on Molokai.

## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR141

PROGRAM STRUCTURE NO. 01030401

PROGRAM TITLE:

AGRICULTURAL RESOURCE MANAGEMENT

		IN DOLLA	RS			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	15.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
PERSONAL SERVICES	652,621		786,898	786,898	787	787	787	787
OTHER CURRENT EXPENSES	688,883		1,198,161	1,198,161	1,198	1,198	1,198	1,198
TOTAL OPERATING COST	1,341,504	1,946,644	1,985,059	1,985,059	1,985	1,985	1,985	1,985
BY MEANS OF FINANCING								
	2.00*	4.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0*
GENERAL FUND	227,530	374,736	377,817	377,817	378	378	378 3.0*	378 3.0*
COFOTAL FIND	3.00*	3.00*	3.00*	3.00* 405.580	3.0* 405	3.0* 405	3.0* 405	405
SPECIAL FUND	266,812 10.00*	401,097 10.00*	405,580 10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
REVOLVING FUND	847,162	1,170,811	1,201,662	1,201,662	1,202	1,202		1,202
CAPITAL IMPROVEMENT COSTS				į				
PLANS	551,000	680,000	151,000	46,000				
LAND ACQUISITION	54,000	125,000	125,000	125,000	21			
DESIGN	1,053,000	852,000	691,000	303,000				
CONSTRUCTION	8,862,000	5,344,000	3,457,000	1,999,000				
EQUIPMENT	651,000	50,000		1,000				
TOTAL CAPITAL EXPENDITURES	11,171,000	7,051,000	4,424,000	2,474,000	21			
		<u> </u>		=======================================	114 114 114 115 115 115 115 115 115 115	********	**************************************	
BY MEANS OF FINANCING				-				
G.O. BONDS	10,421,000	5,551,000	3,424,000	2,474,000	21			
OTHER FED. FUNDS	750,000	1,500,000	1,000,000					
TOTAL POSITIONS	15.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*
TOTAL PROGRAM COST	12.512.504	8,997,644	6,409,059	4,459,059	2,006	1,985	1,985	1,985
						2222222		

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-141

PROGRAM STRUCTURE NO: 01030401

PROGRAM TITLE:

AGRICULTURAL RESOURCE MANAGEMENT

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS	100 100 to cal cal ap gar gar gar can		***************************************					**************************************
1 LANDS IRRIGATED BY STATE SYSTEMS (ACRES)	6900	6900	6900	6900	6900	6900	6900	6900
2 IRRIG WATER SERVED AS % WATER DEMAND IN STATE SYS	90	90	90	90	90	90	90	90
3 LANDS LEASED WITHIN AGRICULTURAL PARKS (ACRES)	5050	5050	5050	5050	5050	5050	5050	5050
4 % AGRIC PARKLANDS DEVELOPED IN PRODUCTIVE USE	90	90	90	90	90	90	90	90
PROGRAM TARGET GROUPS								
1 # FARMS SERVED BY STATE IRRIG SYSTEMS	625	625	625	625	625	625	625	625
2 # FARMS LEASED IN STATE AG PARKS	222	222	230	230	230	230	230	230
3 # FARMS PROCESSING PRODUCE AT STATE FACILITY	66	66	66	66	66	66	66	66
PROGRAM ACTIVITIES								
1 # CURRENT AG PARK & PLNNG DEV & IMP PROJS	1	1	1	1	1	1	1	1
2 AG PARK AWARDS ADMINISTERED (# OF TRANSACTIONS)	20	20	20	20	20	20	20	20
3 NEW WATER SERVICES INSTALLED (NUMBER)	3	3	3	3	3	3	3	3
4 PIPELINE, DITCHES, & OTHER INFRASTR MAINT (MILES)	94	94	94	94	94	94	94	94
5 PROCESSING FACILITIES MANAGED (NUMBER)	5	5	5	5	5	5	5	5
6 AGRICULTURAL PARK LESSEES COUNSELED (NUMBER)	40	40	40	40	40	40	40	40
7 AG PARK FIELD INSPECTIONS CONDUCTED (NUMBER)	240	240	240	240	240	240	240	240
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	130	96	95	95	95	95	95	95
REVENUE FROM OTHER AGENCIES: FEDERAL							,,	,,,
ALL OTHER								
CHARGES FOR CURRENT SERVICES	1,099	835	1,046	1,204	1,405	1,405	1,405	1,405
FINES, FORFEITS AND PENALTIES	,		•	-,	-,	-,	2,	1,403
NON-REVENUE RECEIPTS	374	412	412	412	412	412	412	412
TOTAL PROGRAM REVENUES	1,603	1,343	1,553	1,711	1,912	1,912	1,912	1,912
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS	OF DOLLARS):							
ALL OTHER FUNDS	1,114	832	1,043	1,201	1,402	1,402	1 403	1 400
SPECIAL FUNDS	347	371	370	370	370	370	1,402 370	1,402
GENERAL FUND	140	140	140	140	140	140	140	370 140
TOTAL PROGRAM REVENUES	1,601	1,343	1,553	1.711	1,912	1,912	1,912	1,912

#### A. Statement of Program Objectives

To assist in developing and managing the State's agricultural resources by ensuring adequate and reliable supplies of irrigation water, farmland, infrastructure, and produce processing, livestock slaughter and agricultural research and processing facilities.

#### B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The budget request for the FB 2006-07 reflects and adjustment to the current services funding level based on FY 05 allocations. A non-general fund request is being submitted to restore a clerk typist position funded by special and revolving funds that was deleted from the budget in Act 41, SLH 2004 and re-appropriated under Section 21 of Act 154, SLH 2004.

General obligation bond funds in the amount of \$750,000 in FY 06 and \$2,000,000 in FY 07 are being requested for improvements to the Molokai Irrigation System.

## C. <u>Description of Activities Performed</u>

This program is composed of: (1) Division Administration; (2) Agricultural Water Development and Maintenance; (3) Agricultural Parks Development and Administration; and (4) State-owned Produce Processing Facilities Management.

Under Division Administration, activities include preparing budget submissions, legislative testimonies, and other administrative and fiscal reports; attending meetings and public hearings representing the Division; planning, approving and implementing program policies; and providing overall guidance to Branches.

Under Agricultural Water Development and Maintenance, activities include planning and programming of capital improvements projects which include budgeting,

scheduling, control and management of project activities; preparing applications for permits and clearances for agricultural water development projects; operating and maintaining four existing irrigation systems by controlling the flow of water to maximize the supply and minimize waste, and to assure an adequate supply and equitable distribution of water; enforcing the provision of the administrative rules by metering, billing, and collecting water charges; maintaining the system by repairing, replacing and keeping in good working condition all mechanical and electrical devices; and keeping intakes, ditches, tunnels and reservoirs free flowing.

Under Agricultural Park Development and Administration, activities include the planning and developing of new parks; administering and enforcing the terms of the lease such as assignments, consents, etc.; operating and maintaining all park infrastructure; conducting the disposition of available or new Agricultural Park lots as prescribed by stature; and billing and collecting lease rents.

Under Produce Processing Facilities Management, activities include administering the terms of the rental agreement; planning and approving all improvements to existing facilities; representing and protecting the State's interests in dealing with farmers' cooperatives and managing the existing facilities.

#### D. Statement of Key Policies Pursued

Among the key policies pursued are agricultural water development to provide program support to achieve the State's economic, agricultural and social goals. In addition, the agricultural park and produce processing programs support diversified agriculture productivity, which in turn strengthens the State's economic base. Both the legislative and executive policies emphasize the expansion and diversification of the agricultural industry. A key policy for agriculture as identified in the Agricultural Functional plan is the availability of land and adequate water to support a productive agricultural industry. This program makes available State lands at reasonable prices and provides adequate irrigation water at selected agricultural sites to ensure the continued farming use of the land.

## E. Identification of Important Program Relationships

State land utilized for agricultural parks are administered in cooperation with the Department of Land and Natural Resources (DLNR). The Agricultural Resource Management program also provides direct support to the Hawaiian Homes Commission's homestead programs at Waimea, Hawaii and Hoolehua, Molokai by providing irrigation water.

## F. Description of Major External Trends Affecting the Program

Environmental concerns are affecting the ability of the program to meet its development responsibilities because rules, regulations, and statute changes limit availability of land and water.

## G. Discussion of Cost, Effectiveness, and Program Size Data

The Agricultural Parks program is currently self-sustaining. On the other hand, the Irrigation System program continues to be supplemented by the general fund.

## H. Discussion of Program Revenues

Revenues for the irrigation system's program are generated through fees assessed on users of the irrigation water. Revenues for the agricultural park program are generated through the rental of agricultural park lands to qualified farmers. Revenues are also generated through the rental of the State owned processing facilities to agricultural cooperative groups.

## I. Summary of Analysis Performed

None performed.

#### J. Further Considerations

None.

## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR151

PROGRAM STRUCTURE NO. 01030302

PROGRAM TITLE:

QUALITY AND PRICE ASSURANCE

		IN DOLL	ARS			ANDS		
PROGRAM EXPENDITURES	FY2003-04	FY200405	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES EQUIPMENT	31.00* 1,499,826 411,577 10,562	29.00* 1,790,480 635,766	26.00* 1,756,272 635,766	26.00* 1,756,272 635,766	26.0* 1,757 635	26.0* 1,757 635	26.0* 1,757 635	26.0* 1,757 635
TOTAL OPERATING COST	1,921,965	2,426,246	2,392,038	2,392,038	2,392	2,392	2,392	2,392
BY MEANS OF FINANCING				1				
GENERAL FUND	29.00* 1,393,383 2.00*	27.00* 1,340,218 2.00*	24.00* 1,291,013 2.00*	24.00*  1,291,013   2.00*	24.0* 1,291 2.0*	24.0* 1,291	24.0* 1,291	24.0* 1,291
SPECIAL FUND	180,449	270,492	277,675	277,675	278	2.0* 278	2.0* 278	2.0* 278
OTHER FED. FUNDS TRUST FUNDS	15,670 279,684	52,424 300,000 *	52,424 300,000 *	52,424 300,000	* 52 300	52 300	* 52 300	* 52 300
REVOLVING FUND	52,779	463,112	470,926	470,926	471	471	471	471
TOTAL POSITIONS	31.00*	29.00*		26.00*	26.00*	26.00*	26.00*	26.00*
TOTAL PROGRAM COST	1,921,965	2,426,246	2,392,038	2,392,038	2,392	2,392	2,392	2,392

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-151

PROGRAM STRUCTURE NO: 01030302

PROGRAM TITLE:

QUALITY AND PRICE ASSURANCE

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								*** *** *** *** *** *** ***
1 % ENF INSPECTIONS COMPLYG WITH LAWS. RULES	95	95	95	95	95	95	95	95
2 % CERTIFICATION REQUESTS FULFILLED	100	100	100	100	100	100	100	100
3 AVER TURNAROUND TIME IN DAYS FOR COFFEE CERTIF	2.2	2.3	2	2	2	2	2	2
4 % FEED & PESTICIDES SAMPLES ANALYZED	100	100	100	100	100	100	100	100
5 % MIN CLASS ONE MILK PRICE RECD BY PRODUCERS	100	100	100	100	100	100	100	100
6 % OF MILK QUOTA PRODUCED	65	70	75	75	80	80	80	80
PROGRAM TARGET GROUPS								
1 PRODUCERS & PROCESSORS OF AG PRODUCTS	4800	4800	4800	4800	4800	4800	4800	4800
2 WHOLESALERS & RETAILERS OF AG PRODUCTS	770	770	770	770	770	770	770	770
3 PRODUCERS, PRODUCERS-DISTRIBUTORS OF MILK	24	24	24	24	24	24	24	24
4 PRODUCERS & DIST OF ANIMAL FEED PRODUCTS	70	70	70	70	70	70	70	70
PROGRAM ACTIVITIES								
1 # CERTS ISSUED FOR GRADE & CONDITION OF AG COMMODS	4748	4750	4000	4000	4000	4000	4000	4000
2 # LOTS OF AG COMMODS INS FOR COMPL W/LAWS, RULES	4730	39000	39000	39000	39000	39000	39000	39000
3 # OF DEALERS IN AGRICULTURAL COMMODITIES LICENSED	894	960	960	960	960	960	960	960
4 # PRODUCERS, PROD-DIST, DISTRIB OF MILK LICENSED	24	24	24	24	24	24	24	24
5 # OF MONTHLY MILK PAYROLLS CALCULATED	132	108	108	108	108	108	108	108
6 # OF TIMES MIN PRICE TO MILK PRODUCERS ADJUSTED	12	12	12	12	12	12	12	12
7 # OF LOTS OF FEED AND PESTICIDES SAMPLE ANALYZED	101	0	0	0	0	0	0	0
8 # HOURS OF ED SESSNS TO IMPRY COMPL W/LAWS, RULES	120	120	120	120	120	120	120	120
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES	259	280	280	280	280	280	280	280
REVENUES FROM THE USE OF MONEY AND PROPERTY	15	19	19	19	19	19	19	19
REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER	17	34	39	39	39	39	39	39
CHARGES FOR CURRENT SERVICES	523	859	984	1,134	1,134	1,134	1,134	1,134
FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	814	1,192	1,322	1,472	1,472	1,472	1,472	1,472
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	F DOLLARS):							
GENERAL FUND	394	535	600	600	600	600	600	600
ALL OTHER FUNDS	51	261	316	466	466	466	466	466
SPECIAL FUNDS	369	396	406	406	406	406	406	406
TOTAL PROGRAM REVENUES	814	1,192	1,322	1,472	1,472	1,472	1,472	1,472

### A. <u>Statement of Program Objectives</u>

To assist in the development of agricultural industries through quality assurance of agricultural commodities; licensing of dealers in agricultural products; and milk producer price and quota control to maintain stability within the dairy industry.

#### B. Description of Request and Compliance with Section 37-68 (1)(A)(B)

The budget request for the FB 2006-07 reflects an adjustment to current services funding level based on the FY 05 allocation. A budget request is being submitted to restore three revolving funded Agricultural Commodity Aid positions and funds that were deleted from the budget in Act 41, SLH 2004 and re-appropriated under Section 21 of Act 154, SLH 2004. Another request is being submitted to transfer three permanent positions and related funds from the Chemical Analysis section to the Pesticides branch.

## C. <u>Description of Activities Performed</u>

- 1. Provide grade, condition and origin certification of agricultural commodities for a fee.
- 2. Provide meat-grading service for a fee.
- 3. Provide seafood inspection service for a fee.
- 4. Provide food safety audits for a fee.
- 5. Conduct registration, sampling and analysis of animal feeds for label guarantees and adulteration by agrichemicals.
- 6. Provide enforcement of Federal Egg Products Inspection Act.
- 7. License dealers in agricultural products and settle delinquent payment cases.
- 8. Investigate and assist police with agricultural theft cases.
- 9. Enforce labeling, advertising, container, and minimum export quality requirements for agricultural commodities.
- 10. Develop and improve grade standards for fresh and processed agricultural products.

- 11. Provide inspection for federal marketing orders when required.
- Inspect, and investigate milk production, distribution and payments and perform market wide pool utilization calculations to determine fair payment to farmers.
- Issue milk licenses to producers, processors and distributors; and monitor and adjust quotas.
- 14. Conduct milk cost of production study as requested by industry.
- 15. Adjust minimum prices paid to producers as needed (monthly in Honolulu).
- 16. Oversee audits, promotions, and research projects as needed.
- 17. Meet with individuals and industry groups to discuss, implement, coordinate and improve State programs; ensure compliance with laws and rules; resolve industry problems; encourage collective action; and improve production and marketing.
- 18. Work with Measurement Standards Branch on neighbor islands to train and cross-utilize personnel where possible, for efficient use of Division staff.

#### D. Statement of Key Policies

- Service all requests for product certification in a timely, professional, and unbiased manner.
- Respond to health related problems that involve eggs, feed, food safety, and agrichemicals in a timely manner.
- 3. Conduct enforcement on an educational basis if possible.
- 4. Improve quality, marketing and consumer satisfaction for local products.
- 5. Support worthy efforts to develop new exports or maintain markets for Hawaii agricultural and food products.
- 6. Improve enforcement and client educational activities by using the latest sampling methods, automated data processing equipment, communication technology, and information presentation practices.
- 7. Assure an adequate supply of fresh milk to consumers.
- 8. Assure a fair return to milk producers.
- 9. Promote coordinated action for agricultural industry efficiency.

#### E. Identification of Important Program Relationships

FEDERAL – USDA and USDC: There are cooperative agreements with the USDA/AMS for fresh fruit and vegetable, processed foods and shell eggs grade certification and inspection; meat grading; and Egg Products Inspection Act enforcement. There is a cooperative agreement with the U.S. Dept. of Commerce/National Marine Fisheries Service for seafood inspection and certification.

STATE and OTHER - UH/CTAHR, DBEDT, DOH, DLNR, and DAGS; HARC.

INDUSTRY – Hawaii Farm Bureau Federation; trade associations of the banana, papaya, anthurium, pineapple, tropical fruit, coffee, cattlemen, milk, eggs, feed, organic produce, retail, wholesale, food manufacturing, and other industries; various agricultural cooperatives and other agribusinesses.

#### F. <u>Description of Major External Trends Affecting the Program</u>

Increased production of new commodities on lands vacated by sugar and pineapple and from agricultural parks, such as coffee, transgenic papayas, and exotic tropical fruits. Growth of agricultural industry in central Oahu, East Hawaii, Molokai and Kauai. State emphasis on orderly expansion of diversified agriculture and food manufacturing. Growing foreign and mainland competition affecting Hawaiian agricultural and food products. Changes in quarantine treatments, increased exports, and changes in the mode and frequency of transportation of agricultural crops. Increasing costs of feed, energy, handling of waste, transportation, other inputs and land, impact the profitability of milk, beef cattle, and egg production. Decrease in the number dairies and other livestock farms, and the federal enforcement on the use of pesticides and the ban of pesticides such as DDT and heptachlor affecting the further reduction of feed contamination. Urban encroachment on agricultural lands. Federal expansion or curtailment of agricultural quality assurance, food

safety and organic programs. Increased emphasis on testing of feed and environmental samples for agrichemical contamination. Growth in the coffee industry on the Big Island (Kona, Kau, and Hilo/Hamakua). Increased attention on food safety and biosecurity, and on production, certification, and labeling of organic and transgenic agricultural products.

#### G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

The branch increased most of its inspection fees to better cover costs. Regulatory functions are at low priority, with emphasis on complaints and preventing violations through education, to more effectively utilize the branch's reduced staff.

### H. <u>Discussion of Program Revenues</u>

Fees assessed for certification, inspections, licenses, registration, and penalties are expected to return approximately \$550,000 annually to the general fund. Inspection fees will cover all costs under the proposed inspection revolving fund and the meat grading and seafood inspection special funds. License fees will cover all costs for the milk control special fund.

#### I. Summary of Analysis Performed

None

#### Further Consideration

The programs impact on the following Hawaii State Plan objectives: Sections 6 (b) 4, 7 & 8 and 7 (b) 3, 4, 8, 9 & 10 which pertain to marketing and market development, encouraging the development of industries and distribution systems, and the promotion of products. Section 34 (b) 1, which protects individuals from unfair practices. Policy J (2) of the State Agriculture Plan calls for a system for comprehensive assessment of Hawaii agriculture.

## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR153

PROGRAM STRUCTURE NO. 0104

PROGRAM TITLE:

AQUACULTURE DEVELOPMENT

		IN DOLL	ARS			IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
PERSONAL SERVICES	326,045	412.828	422,497	422,497	422	422	422	422
OTHER CURRENT EXPENSES	146,658	195,462	195,462	195,462	195	195	195	195
EQUIPMENT	287	,	272, 102	223, 102	173	1/3	175	170
TOTAL OPERATING COST	472,990	608,290	617,959	617,959	617	617	617	617
	=======================================				*******	======	*******	######################################
BY MEANS OF FINANCING				!				
	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
GENERAL FUND	428,138	493,175	502,844	502,844	502	502	502	502
SPECIAL FUND	193	30,000	30,000	30,000	30	30	30	30
	*	*	*	*	*	*	*	*
OTHER FED. FUNDS	44,659	85,115	85,115	85,115	85	85	85	85
CAPITAL IMPROVEMENT COSTS								
DESIGN	1,000			1				
CONSTRUCTION	498,000			į				
EQUIPMENT	1,000			į				
24021112111	1,000			į				
TOTAL CAPITAL EXPENDITURES	500,000				** **			
TOTAL CALLTAL EXPENDITURES	500,000 =========		=========		<b>2</b>			
				·				
BY MEANS OF FINANCING				ī				
G.O. BONDS	500,000							
	300,000			i !				
TOTAL POSITIONS	8.00*	8.00*	8.00*	8.00*	8.00*	8.00*	8.00*	8.00
TOTAL PROGRAM COST	972,990	608,290	617,959	617,959	617	617	617	617
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## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-153

PROGRAM STRUCTURE NO: 0104

PROGRAM TITLE:

AQUACULTURE DEVELOPMENT

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS				and white days days have seen state two				
1 AQUACULTURE PRODUCTION-(THOU. LBSS) 2 PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$1000) 3 TOTAL AQUACULTURE EMPLOYMENT (NO.)	2600 27700 943	3000 29000 1025	3050 30000 1125	3200 32000 1175	3200 32000 1175	3200 34000 1225	3200 34000 1225	3200 34000 1225
PROGRAM TARGET GROUPS								
1 AQUACULTURE OPERATIONS STATEWIDE (NO.)	116	124	126	128	130	132	132	132
PROGRAM ACTIVITIES								
1 INFORMATION SENT (NO.) 2 PERMIT ASSISTANCE (NO.) 3 DISEASE ASSISTANCE (NO.) 4 PROMOTIONAL EVENTS AND PRESENTATION (NO.)  PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):  TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY	6420 78 312 31	7000 60 400 85	7000 50 400 30	7000 50 400 30	7000 50 400 30	7000 50 400 30	7000 50 400 30	7000 50 400 30
REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER CHARGES FOR CURRENT SERVICES	46 3	48	49 5	10	20	30	30	30
FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	49	53	54	10	20	30	30	30
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS	OF DOLLARS):							
SPECIAL FUNDS	49	53	54	10	20	30	30	30
TOTAL PROGRAM REVENUES	49	53	54	10	20	30	30	30

#### A. Statement of Program Objectives

To develop a sustainable and profitable commercial aquaculture industry by encouraging a diversity of products, improving management practices and technologies and providing direct assistance with regulations, disease, marketing and new business development.

B. <u>Description of Request and Compliance with Act, 263 SLH 1994</u>
The budget request for the FB 2005-07 reflects current services funding level based on FY 04-05 allocation.

#### C. Description of Activities Performed

Aquaculture activities address three broad areas: planning and coordination; provision of support services; and carrying out and funding research and technical extension. Plans and policies are formulated and liaison is maintained with sister state and county agencies, as well as national and international research and development activities and interests. Direct assistance is provided in such key areas as: technical and business information; disease management and prevention; permit acquisition and compliance; marketing of products, services and investment opportunities; and new business development and expansion. Resources are also directed at selected short-term applied research, provision of technical support and limited grant development to address industry needs.

#### D. Statement of Key Policies

The State Constitution, Article XI, mandates promoting conservation and development of the State's natural resources. Chapter 141-2.5, Hawaii Revised Statutes, vests in the Department of Agriculture with the responsibility and specific authorities to develop and manage aquaculture development programs. Program policies encourage the diversification of species and sustainable aquaculture technologies and a supportive business climate for investment, as a means of expanding and diversifying the state's economy and creating jobs on all

islands. Aquaculture is a natural resource-based industry that is environmentally sound and socially acceptable.

#### E. <u>Identification of Important Program Relationships</u>

The Department of Agriculture has been designated the lead agency for aquaculture development. Aquaculture development involves important relationships with governments and organizations on the mainland and throughout the Asia-Pacific Region, as well as Federal, State, County and private groups. Planning, policy, business, and regulatory climates, research, training, education, professional conferences, and finance and marketing are areas of mutual interest and frequent interaction. The University of Hawaii system supports the Program with research, training and extension expertise. Federal support comes from the U.S. Department of Commerce Sea Grant College Program and the U.S. Department of Agriculture's aquaculture programs, including the Pacific Regional Center for Tropical and Subtropical Aquaculture in Hawaii. The Program maintains close working relations with sister agencies, Hawaii's private growers, consultants, non-profit organizations, and secondary schools with aquaculture programs.

#### F. Description of major Trends Affecting the Program

Aquaculture is a multimillion-dollar growth industry, in Hawaii and worldwide, that globally produces one third of the world's seafood. Growing concern over world food shortages, and declining production of wild fishery stocks, has focused worldwide attention on expanding aquaculture. National goals include increasing production and jobs, balancing trade, and fostering sustainable rural development. World aquaculture production has tripled since 1976, and should triple again by 2025 to cover projected shortfalls in fisheries production. U.S. production, tripled from the 1980's, and is now worth \$1B annually. With increased emphasis by Congress on increasing domestic supplies of seafood and a target U.S. goal of a \$5B dollar industry by 2025, interest within the Federal government is very high.

#### AGR 153: AOUACULTURE

The National Aquaculture Act of 1980 was re-authorized in 2002 for another four years as part of the Farm Bill. Additionally, the bill includes various authorities for existing and new research and extension programs and continuation of the regional aquaculture centers, including the one in Hawaii. Other recent legislative initiatives increased effort by the U.S. Department of Commerce to develop marine farming and aquaculture in the ocean environment, particularly in the U.S. Exclusive Economic Zone. Hawaii ocean aquaculture interests will benefit from new federal research programs in this area.

Direct value of aquaculture products and services in Hawaii has increased nearly forty-fold from 1978 to 2003 and are valued at an estimated \$38M- one of the fastest growing ocean or agriculture industries in the State. Hawaii's industry is positioned to enjoy long-term advantage from these trends by developing needed technologies, exporting technology and expertise and applying them to commercial development in Hawaii.

### G. <u>Discussion of Cost, Effectiveness and Program Size Data</u> Discrepancies Between Planned and Actual Levels

Cost- Actual expenditures met expectations.

Effectiveness- Production value and employment were within forecast.

Size- Numbers of farms decreased due to a comprehensive survey to determine the business status of all known farms. Amount of disease assistance decreased due to staff vacancies.

## Changes from Current to Upcoming Budget Periods

Cost-Program budget request reflects a current services budget.

Effectiveness- Aquaculture farms, production and jobs are expected to increase as disease, finance, marketing, and siting issues are resolved and new species identified.

Size- Operating personnel and costs have been significantly reduced in recent years; projections for the activity reflect targeted efforts to maintain a level of service with the resources available, despite anticipated larger increases in need. Full staffing should permit additional caseload.

01 04

#### Relationship Between Planning Period and Budget Period

Cost- Personnel costs do not include incremental collective bargaining increases and inflation is not included in operating costs.

Effectiveness- Levels of production, value and number of jobs will continue to rise, driven by market opportunities with select species and greater availability of land and water resources, although growth, and the subsequent positive impacts on the economy will be less due in part to resource limitations.

Size- Activity measures reflect targeted efforts to maintain a level of services with the resources available, despite anticipated increases in need, and increase use of electronic communication.

## H. <u>Discussion of Program Revenues</u>

Revenue projections are based on successful continuation of year-to-year grant from the Federal government and establishment of fee schedule for diagnostics through the Special Fund.

## I. <u>Summary of Analysis Performed</u>

The program will strive to adjust to personnel limitations and operating resources to maintain the targeted levels of effectiveness and service.

## J. <u>Further Considerations</u>

None

## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR161

PROGRAM STRUCTURE NO. 01030402

PROGRAM TITLE:

AGRIBUSINESS DEVELOPMENT

		IN DOLL	.ARS			IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	1.00*	1.00*	*	*	*	*	*	*
PERSONAL SERVICES	501,134	600,678	609,181	609,181	609	609	609	609
OTHER CURRENT EXPENSES	1,483,735	2,869,095	2,869,095	2,869,095	2,869	2,869	2,869	2,869
EQUIPMENT	2,156				•	•	,	•
MOTOR VEHICLE	27,878	20,000	20,000	20,000	20	20	20	20
TOTAL OPERATING COST	2,014,903	3,489,773	3,498,276	3,498,276	3,498	3,498	3,498	3,498
BY MEANS OF FINANCING				' !				
	1.00*	1.00*	*	*	*	*	*	*
GENERAL FUND	723,224	140,558	140,558	140,558	141	141	141	141
	*	*	*	*!	*	*	*	*
REVOLVING FUND	1,291,679	3,349,215	3,357,718	3,357,718	3,357	3,357	3,357	3,357
TOTAL POSITIONS	1.00*	1.00*	*	*		*	. *	. *
TOTAL PROGRAM COST	2,014,903	3,489,773	3,498,276	3,498,276	3,498	3,498	3,498	3,498
	*******		=========			-,	=======	=======

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-161

PROGRAM STRUCTURE NO: 01030402

PROGRAM TITLE:

AGRIBUSINESS DEVELOPMENT

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS	***							
1 # AGRIBUSINESSES INIT/EXP/ASSISTED VIA ADC PARTIC 2 # DIR/INDIR JOBS CREATED/PRESERVED VIA ADC PARTIC 3 PLANTAT LANDS CONVERT/PROTECT FOR DIV AG(ACRES)	12 1800 5146	20 1650 17646	25 1650 17646	25 1650 17646	25 1650 17646	25 1650 17646	25 1650 17646	25 1650 17646
PROGRAM TARGET GROUPS			•					
1 AVAILABLE SUGAR AND PINEAPPLE LANDS (ACRES) 2 NO OF SELF EMPLOYED FARM OPERATORS 3 NO OF HIRED WORKERS-SUGAR AND PINEAPPLE 4 NO OF HIRED WORKERS - OTHER	72000 4600 2400 5000	72000 4100 2200 5400	72000 4100 2200 5400	72000 4100 2200 5400	72000 4100 2200 5400	72000 4100 2200 5400	72000 4100 2200 5400	72000 4100 2200 5400
PROGRAM ACTIVITIES								
1 # ONGOING ADC BOARD-APPROVED PROJ &/OR MGD ASSETS 2 TECHNICAL ASSISTANCE/CONSULTING SVCS PROVIDED 3 NUMBER OF PROJECTS EVALUATED 4 AMT EXP ON OPER & MAINT OF ADC PROJECTS/ASSETS 5 AMT EXPENDED ON CAP IMPROVEMT PROJS FOR ADC 6 # ONGOING & COMPLETED CAP IMPVT PROJS FOR ADC  PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):	7 7 16 611000 877425 2	9 9 9 611000 1631350 2	8 8 8 635000 150000	8 8 8 635000 150000	8 8 635000 150000	8 8 8 635000 150000	8 8 8 635000 150000	8 8 8 635000 150000
TAXES								
LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER	44	106	106	106	107	107	115	115
CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES	974	975	929	955	982	1,020	1,043	1,079
NON-REVENUE RECEIPTS	641	141	105	70	35			
TOTAL PROGRAM REVENUES	1,659	1,222	1,140	1,131	1,124	1,127	1,158	1,194
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS O	F DOLLARS):							
ALL OTHER FUNDS	1,658	1,221	1,140	1,131	1,124	1,127	1,158	1,194
TOTAL PROGRAM REVENUES	1,658	1,221	1,140	1,131	1,124	1,127	1,158	1,194

#### A. Statement of Program Objectives

To facilitate and coordinate the development and expansion of Hawaii's agricultural industry by directly participating in the shift from plantation-based production and infrastructure to a market-driven industry.

### B. Description of Request and Compliance with Act 263, SLH 1994

The budget request for the FB 2005-2007 reflects a current services funding level based on the FY 05 allocation. A request is being submitted to transfer out a Special Assistant Position to AGR 192. There are no new programs or funds being requested in the FB 2005-07.

#### C. <u>Description of Activities Performed</u>

Agribusiness Development Corporation's (ADC) major activities are to: (1) obtain land, water, infrastructure, and other resources for agricultural development; (2) preserve, manage and obtain funding for operation and maintenance and upgrading of agricultural infrastructure within project areas; (3) identify feasibility/market potential of agribusiness opportunities; (4) organize and develop joint agricultural ventures; and (5) issue revenue bonds to finance agricultural development projects.

### D. Statement of Key Policies

Make optimal use of the State's agricultural assets by facilitating the transition from plantation operations into expanded agricultural enterprises and by providing leadership for the development, financing, improvement and enhancement of agribusinesses.

#### E. <u>Identification of Important Program Relationships</u>

State Agencies: Agriculture; Land and Natural Resources; Business, Economic Development and Tourism; College of Tropical Agriculture and Human Resources, University of Hawaii; Labor and Industrial Relations; Health; and Transportation.

Federal Agencies: U.S. Departments of Agriculture, Defense (Army Corps of Engineers and Navy); Health and Human Services; Environmental Protection Agency; Soil Conservation Service; Rural Economic Transition Agency, National Oceanographic and Atmosphere Administration (National Weather Service), and U.S. Geological Survey.

County Agencies: Planning, water, and public works departments.

Others: Kunia Water Cooperative; Koolau Mountains Watershed Partnership; Hawaii Agricultural Research Center, Hawaii Farm Bureau Federation, East Kauai Water Users' Cooperative, Kauai Farm Bureau Development Corporation, Kekaha Agriculture Association, Hamakua North Hilo Agricultural Cooperative, and other agricultural cooperatives and groups.

### F. Description of Major External Trends Affecting the Program

The agricultural industry in Hawaii continues its transition with the closure of sugar plantations in Hawaii, Kauai, and Oahu. These closures have made available, large tracts of prime agricultural land providing opportunities for new diversified agricultural projects or expansion of existing projects.

#### G. Discussion of Cost, Effectiveness and Program Size Data

None.

### H. <u>Discussion of Program Revenues</u>

Revenues are derived from water delivery charges assessed on Waiahole Water System users, lease rent charged to tenants on Kekaha agricultural lands, and from direct involvement in joint agricultural ventures with the federal government and the private sector.

### I. Summary of Analysis Performed

None.

### J. Further Consideration

Goal is to become financially self-sufficient by 2009, however mandated involuntary transfer of funds from ADC's revolving funds to the General Fund, and the inability to generate sufficient revenues from government and private sources might result in funding shortfalls, requiring ADC to request for supplemental funding.

## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR171

PROGRAM STRUCTURE NO. 01030303

PROGRAM TITLE:

AGRICULTURAL DEVELOPMENT & MARKETING

		IN DOLL	ARS			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	19.00*	18.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
PERSONAL SERVICES	812,434	864,421	894,814	894,814	894	894	894	894
OTHER CURRENT EXPENSES	372,624	557,241	1,051,962	1,051,962	1.052	1,052	1.052	1,052
EQUIPMENT	10,660	,	-,,	_,,	-,	-,	-,	-,
MOTOR VEHICLE	20,124		•					
TOTAL OPERATING COST	1,215,842	1,421,662	1,946,776	1,946,776	1,946	1,946	1,946	1,946
		*=======					*****	
BY MEANS OF FINANCING				1				
	19.00*	18.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
GENERAL FUND	1,210,266	1,346,662		1,871,776	1,871	1,871	1,871	1,871
OTHER FED. FUNDS	5,576	75,000	75,000	75,000	75	75	75	75
TOTAL POSITIONS	19.00*	18.00*	18.00*	18.00*	18.00*	18.00*	18.00*	18.00*
TOTAL PROGRAM COST	1,215,842	1,421,662	1,946,776	1,946,776	1,946	1,946	1,946	1,946
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## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-171

PROGRAM STRUCTURE NO: 01030303

PROGRAM TITLE:

AGRICULTURAL DEVELOPMENT & MARKETING

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS							***************************************	
1 % OF REQUESTS FOR INFO FULFILLED 2 %SCHED RELEASE TIME FOR PRE-SPEC PUB MET (P&MN) 3 RETURN ON INVESTMENT RATE ON TRADE SHOWS 4 NUMBER OF TRADE LEADS GENERATED	99 100 3 40							
PROGRAM TARGET GROUPS								
1 PRODUCERS AND PROCESSORS OF AGR PRODUCTS 2 GOVERNMENT, UNIVERSITIES AND AG INPUT SUPPLIERS 3 WHOLESALER & RETAILERS OF AGRICULTURAL PRODUCTS PROGRAM ACTIVITIES	5500 215 770							
1 COLL, COMPILE & PUBL CROP/LYSTK RPTS, HASS 2 PRSNL TEL AND MAIL SURVEY & PUB OF STAT RPTS, HASS 3 DISSEMINATION OF CROP/LYSTK INFO, HASS 4 CONDUCT AG & VALUE-ADD PRDT PROMO ACTIVITIES, MD 5 COLLECT, COMPILE, PUBLISH & DISSEM MKT INFO 6 CONDUCT ECON & MKT STUDIES & PROG EVAL 7 PROV GEN ADMIN, PROP ASSMT, OUTRCH ON AG COMM R&D PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):	50000 16000 1500 6056 40 9							
TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL ALL OTHER CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS		75	75	75	75	75	75	75
TOTAL PROGRAM REVENUES		75	75	75	75	75	75	75
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF	F DOLLARS):							
SPECIAL FUNDS		75	75	75	75	75	75	75
TOTAL PROGRAM REVENUES		75	75	75	75	75	75	75

#### A. Statement of Program Objectives

To promote the economic viability of commercial agriculture by sponsoring joint marketing programs for agricultural products with high revenue growth potentials; facilitating the development and expansion of marketing opportunities for targeted agricultural and processed products; and providing timely accurate and useful statistics.

## B. <u>Description of Request and Compliance with Section 37-68 (1) (A)(B)</u>

The budget request for the FB 2006-07 reflects current services funding level based on the FY05 allocation. A budget request is being submitted to restore \$494,721 in general funds for Agricultural Research.

## C. <u>Description of Activities Performed</u>

- Encourage more exports and help existing agricultural and food manufacturing industries to maintain their viability.
- 2. Assist associations of producers and distributors of Hawaiian agricultural and food products to introduce their products to consumers.
- 3. Conduct business feasibility analysis and research, develop market information and growth potentials for specific agricultural and food manufacturing industries, and evaluate effectiveness of market development programs.
- 4. Collect and estimate agricultural acreage, value, price, production, inventory, labor, supply, and shipment data by personal contact, phone, or mailed questionnaire.
- Collect and analyze market prices and supply of agricultural products and disseminate such information via fax broadcasting, internet, or Code-A-Phone.

6. Meet with individuals and industry groups to discuss, implement, coordinate, and improve State programs; resolve industry problems; encourage collective action; and improve production and marketing.

#### D. <u>Statement of Key Policies</u>

- 1. Promote joint marketing programs for agricultural products with high revenue growth potential.
- 2. Facilitate development of marketing opportunities for select agricultural and processed products as a tie-in with the tourism industry.
- 3. Provide timely, accurate and useful statistics of Hawaii's agriculture to support production, marketing, policy, planning and research functions.

## E. <u>Identification of Important Program Relationships</u>

FEDERAL - USDA: There is a continuing cooperative agreement with the National Agricultural Statistics Service, which covers the Hawaii Agricultural Statistics (HAS). There are also cooperative agreements with the Agricultural Marketing Service for market news reporting and for market studies. Lastly we established a partnership agreement with the Risk Management Agency in 2003 on crop insurance in Hawaii.

STATE – UH/CTAHR, DBEDT, DOH, DAGS OHA and various county development agencies.

INDUSTRY - Hawaii Farm Bureau Federation; trade associations of the banana, papaya, anthurium, pineapple, coffee, milk, macadamia, eggs, feed, retail, wholesale, food manufacturing, other agribusinesses and the Hawaii Agricultural Research Center.

#### AGR 171: AGRICULTURAL DEVELOPMENT AND MARKETING

### F. <u>Description of Major External Trends Affecting the Program</u>

Increased production of new commodities on lands vacated by sugar and pineapple and from agricultural parks. The State continues to place emphasis on orderly expansion of diversified agriculture and food manufacturing. Growing foreign and mainland competition affecting Hawaiian agricultural and food products are still a threat, especially from free trade agreements. Urban encroachment and tax hikes on agricultural lands are other threats. On the other hand, the establishment of more farmers' markets locally, anticipated future increases on exports and changes in the mode and frequency of transportation for agricultural crops such as the super-ferry project hold well for agriculture.

#### G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

The program has been aggressive in pursing external grants to supplement funding for its existing activities. Additionally, more efforts have been placed to increase labor productivity and return on investments by utilizing technology and by measuring performance of its program activities.

#### H. <u>Discussion of Program Revenues</u>

Federal matching funds are available for product promotion and research projects. Under a joint State-Federal cooperative agreement federal personnel and funds support the HASS program.

#### I. <u>Summary of Analysis Performed</u>

HASS and MANB, to ensure reliable information, do statistical analysis when appropriate.

#### J. Further Consideration

The programs impact on the following Hawaii State Plan objectives: Section 6(b) 4, 7 & 8 and 7(b) 3, 4, 8, 9 & 10, which pertain to marketing and market development, encouraging the development of industries and distribution systems and the promotion of products. Policy J (2) of the State Agriculture Plan calls for a system for comprehensive assessment of Hawaii agriculture.

REPORT P61-A

PROGRAM ID:

AGR192

PROGRAM STRUCTURE NO. 01030403

PROGRAM TITLE:

GENERAL ADMINISTRATION FOR AGRICULTURE

		IN DOLL	ARS	-		IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST PERSONAL SERVICES	29.00*	28.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
OTHER CURRENT EXPENSES EQUIPMENT	1,259,860 245,547 13,787	1,308,095 273,614	1,337,714 273,614	1,337,714   273,614	1,338 273	1,338 273	1,338 273	1,338 273
TOTAL OPERATING COST	1,519,194	1,581,709	1,611,328	1,611,328	1,611	1,611	1,611	1,611
BY MEANS OF FINANCING				;				
GENERAL FUND	29.00* 1,519,194	28.00* 1,581,709	29.00* 1,611,328	29.00* 1,611,328	29.0* 1,611	.29.0* 1,611	29.0* 1,611	29.0* 1,611
CAPITAL IMPROVEMENT COSTS								
DESIGN	53,000							
CONSTRUCTION	1,088,000							
TOTAL CAPITAL EXPENDITURES	1,141,000					M1 No 110 and 110 and 110 and 110 and		
	========	==========				=======	=======	
BY MEANS OF FINANCING								
G.O. BONDS	1,141,000							
TOTAL POSITIONS	29.00*	28.00*	29.00*	29.00*	29.00*	29.00*	29.00*	29.00*
TOTAL PROGRAM COST	2,660,194	1,581,709	1,611,328	1,611,328	1,611	1,611	1,611	1,611
							*=======	

REPORT P62

PROGRAM ID:

AGR-192

PROGRAM STRUCTURE NO: 01030403

PROGRAM TITLE:

GENERAL ADMINISTRATION FOR AGRICULTURE

2 # ACRES RECLASS FROM AG TO URBAN USE 433 450 450 450 400 400 400 400 3 % PERS ACTIONS PROCESSED H/IN PAYROLL CYCLE 100 100 100 100 100 100 100 4 % VENDOR PAYMENTS MADE H/IN 30 DAYS 88 95 95 95 95 95 95 95 95	
3 % PERS ACTIONS PROCESSED H/IN PAYROLL CYCLE 100 100 100 100 100 100 100 100 100 10	2 2
4 % VENDOR PAYMENTS MADE H/IN 30 DAYS 88 95 95 95 95 95	0 400
	0 100
F W DATA DRAG DEGLETTE COURT FIED	5 95
5 % DATA PROC REQUESTS COMPLETED 87 88 88 88 88 88	8 88
PROGRAM TARGET GROUPS	
1 TOTAL ACREA IN DIVERSIFIED CROPS & LIVESTOCK 46800 48000 50000 50500 51000 51500 5150	0 51500
2 # DIVERSIFIED FARM OPERATORS & FARM WORKERS 7300 7500 7700 7800 7900 8000 800	
3 INVENTORY OF IMPORTANT AG LANDS (ACRES) 315300 314750 314500 314250 314000 313750 31375	
4 NUMBER OF EMPLOYEES 307 295 300 310 315 315 32	0 320
5 NUMBER OF DIVISIONS 6 6 6 6 6 6	6 6
6 NUMBER OF BRANCHES 12 13 13 13 13 13 13 13	3 13
7 ATTACHED AGENCIES 1 1 1 1 1 1	1 1
PROGRAM ACTIVITIES	
1 # LAND USE PERMIT APP REVIEWED AFFECTG AG LANDS 40 40 50 60 70 85 8	5 85
2 # PERSONNEL ACTIONS PROCESSED 2015 2000 2000 2000 2000 2000 200	
3 # PURCHASE ORDERS PROCESSED 5490 5500 5500 5400 5350 535	
4 # PETTY CASH CHECKS PROCESSED 1424 1400 1350 1300 1300 1300 130	
5 # DATA PROCESSING REQUESTS RECEIVED 650 660 660 660 660 660 660	

#### PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

LICENSES, PERMITS AND FEES

REVENUES FROM THE USE OF MONEY AND PROPERTY

REVENUE FROM OTHER AGENCIES: FEDERAL

ALL OTHER

CHARGES FOR CURRENT SERVICES

FINES, FORFEITS AND PENALTIES

NON-REVENUE RECEIPTS

TOTAL PROGRAM REVENUES

#### A. Statement of Program Objectives

To expand agriculture's contribution to the State's economy by providing leadership, formulating policies and plans, directing operation, allocating resources and staff, providing for the exchange of information between stakeholders, and enhancing the effectiveness and efficiency of the department's programs.

## B. Description of Request and Compliance with Act 263, SLH 1994

The budget request for the FB 2006-07 reflects an adjustment to current services funding level based on FY05 allocation. A trade-off request is being made to transfer in a special assistant position from AGR 161.

#### C. <u>Description of Activities Performed</u>

#### CHAIRPERSON'S OFFICE

Plans, directs, and coordinates the various activities of the department within the scope of laws and established policies and regulations; maintains relationships with the Governor, the Legislature, Federal, State, County agencies and agricultural organizations; and administers a public affairs program.

Prepares, coordinates, and monitors efforts to implement general and special plans; administers the planning of, and prepares project plans for new agricultural park projects, in coordination with the Agricultural Resource Management Division; reviews agricultural needs related to land use, and prepares recommendations regarding State and County land use policies and procedures; and prepares and disseminates tabular and map data on the productivity and use of agricultural lands.

#### ADMINISTRATIVE SERVICES OFFICE

Provides staff support services to the various departmental programs in the areas of personnel, fiscal, budget and management, property management, automotive maintenance, information processing, office automation, and office and duplicating services.

#### D. Statement of Key Policies

Emphasis continues to be placed on aggressively pursuing economic development activities within the department. Included in the various Department of Agriculture program budgets are limited resources needed to fund control projects for major pests of agriculture; programs to improve the marketing of Hawaii agricultural products; programs to improve the management and decision making support activities for agriculture; programs to develop meaningful information on Hawaiian agricultural resources; and programs to increase the production of Hawaiian agricultural commodities through such things as agricultural parks, irrigation systems and expansion of the capital base to finance the agricultural industry. The Department is continuing to maintain its support services and facilities throughout the State to serve the departmental personnel and public.

## E. <u>Important Program Relationships</u>

Federal Agencies: Departments of Agriculture; Health and Human Services; Environmental Protection Agency; Soil Conservation Service.

State Agencies: Department of Land and Natural Resources; Department of Transportation; and College of Tropical Agriculture and Human Resources, University of Hawaii.

County Agencies: Planning departments; Water departments.

## AGR 192: GENERAL ADMINISTRATION FOR AGRICULTURE

01 03 04 03

Others: Agriculture groups; private organizations; news media

## F. <u>Description of Major External Trends Affecting the Program</u>

Increased emphasis on the diversification of our agricultural base and the utilization of agricultural lands will result in greater levels of activity for this program. In addition, the passage and adoption of new Federal and state legislation, standards and requirements without increased resources will have a significant impact on the department's ability to respond effectively and efficiently to the public served.

## G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

Reductions in personnel and resources due to the slow economy and efforts to down size government have impacted program effectiveness and level of service. In addition, new Federal and State legislation, standards and requirements as well as new programs have continued to place new responsibilities and demands on the support staff. Additional responsibilities have been assumed with no additional resources.

## H. <u>Discussion of Program Revenues</u>

None

## I. Summary of Analysis Performed

None.

#### J. Further Consideration

None.

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PROGRAM ID:

PROGRAM STRUCTURE NO. 04

PROGRAM TITLE:

ENVIRONMENTAL PROTECTION

		IN DOLL	ARS			IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	20.00*	20.00*	23.00*	23.00*	23.0*	23.0*	23.0*	23.0*
PERSONAL SERVICES	1,031,449	1,169,196	1,314,629	1,314,629	1,315	1,315	1,315	1,315
OTHER CURRENT EXPENSES	273,775	640,773	640,773	640,773	641	641	641	641
EQUIPMENT	17,467	10,000	10,000	10,000	10	10	10	10
MOTOR VEHICLE	49,959	28,400	28,400	28,400	28	28	28	28
TOTAL OPERATING COST	1,372,650	1,848,369	1,993,802	1,993,802	1,994	1,994	1,994	1,994
				==========			1,777	=======
BY MEANS OF FINANCING				!				
	16.00*	16.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
GENERAL FUND	666,009	742,914	836,475	836,475	836	836	836	836
	*	. *	1.00*	1.00*	1.0*	1.0*	1.0*	1.0*
OTHER FED. FUNDS	277,940	383,392	418,806	418,806	419	419	419	419
	4.00*	4.00*	4.00*	4.00*	4.0*	4.0*	4.0*	
REVOLVING FUND	428,701	722,063	738,521	738,521	739	739	739	4.0* 739
TOTAL POSITIONS	20.00*	20.00*	23.00*	23.00*	23.00*	23.00*	23.00*	00.00+
TOTAL PROGRAM COST	1,372,650	1,848,369	1,993,802	1,993,802	1,994	1,994	23.00* 1,994	23.00*
	_==========	**********		=======================================	1,//-	1,774	1,774	1,994

## OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

PROGRAM TITLE:

AGR846

PROGRAM STRUCTURE NO. 040102

PESTICIDES

		IN DOLL	ARS			IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	20.00*	20.00*	23.00*	23.00*	23.0*	23.0*	23.0*	23.0*
PERSONAL SERVICES	1,031,449	1,169,196	1,314,629	1,314,629	1,315	1,315	1,315	1,315
OTHER CURRENT EXPENSES	273,775	640,773	640,773	640,773	641	641	641	641
EQUIPMENT	17,467	10,000	10,000	10,000	10	10	10	10
MOTOR VEHICLE	49,959	28,400	28,400	28,400	28	28	28	28
TOTAL OPERATING COST	1,372,650	1,848,369	1,993,802	1,993,802	1,994	1,994	1,994	1,994
		72222222E	***	=======================================		=======		
BY MEANS OF FINANCING				1				
	16.00*	16.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
GENERAL FUND	666,009	742,914	836,475	836,475	836	836	836	836
	*	*	1.00*	1.00*	1.0*	1.0*	1.0*	1.0*
OTHER FED. FUNDS	277,940	383,392	418,806	418,806	419	419	419	419
	4.00*	4.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0*
REVOLVING FUND	428,701	722,063	738,521	738,521	739	739	739	739
TOTAL POSITIONS	20.00*	20.00*	23.00*	23.00*	23.00*	23.00*	23.00*	23.00*
TOTAL PROGRAM COST	1,372,650	1,848,369	1,993,802	1,993,802	1,994	1,994	1,994	1,994

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-846

PROGRAM STRUCTURE NO: 040102

PROGRAM TITLE:

PESTICIDES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS						***************************************		
1 NUMBER OF EXPOSURES TO PESTICIDES 2 #DRINKG WATER SOURCES REQ TRTMT TO MEET HTH STDS	0 12	35 12	35 12	35 12	30 12	25 12	25 12	25 12
PROGRAM TARGET GROUPS								
1 NO. OF APPLS CERT FOR RESTR USE OF PESTICIDES 2 NO. OF LICENSED DEALERS 3 NO. OF PRODUCTS REGISTERED 4 NO. OF AGRICULTURAL LABORERS	1847 38 7994 11650	1600 30 7500 11000						
PROGRAM ACTIVITIES								
1 CERTIF OF RESTRICTED PESTICIDE USERS 2 FIELD INSPECTIONS USE SURVEILLANCE (AG & NON AG) 3 INVESTIGATION OF COMPLAINTS OF ALLEGED MISUSE 4 LICENSING DEALERS OF RESTRICTED PESTICIDES 5 SAMPLING OF PESTICIDE PRODUCTS & ENV SAMPLES 6 MARKET SURVEILLANCE 7 PESTICIDE PRODUCT REGISTRATION (NO. OF PRODUCTS) 8 MINOR CROP REGISTRATIONS	505 392 69 38 106 57 2631	400 400 80 30 160 50 2500						
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL	1 16 278	8 20 390						
ALL OTHER CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	11 31 128	40 30						
TOTAL PROGRAM REVENUES	465	488	488	488	488	488	488	488
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS								
GENERAL FUND ALL OTHER FUNDS SPECIAL FUNDS	192 16 257	108 20 360						
TOTAL PROGRAM REVENUES	465	488	488	488	488	488	488	488

#### A. Statement of Program Objectives

To ensure the effective, efficient, and safe use of pesticides and to minimize their possible adverse effects on man and the environment while considering the benefits of their use.

## B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The budget request for the FB 06-07 reflects the current services funding leavel based on the FY 05 allocation. A budget request is being submitted to transfer in general funds and positions for the Chemical Analyses Laboratory. The Department is reorganizing to move the Chemical Analyses Laboratory from the Commodities Branch (AGR-151 BB) to the Pesticides Program.

## C. <u>Description of Activities Performed</u>

Certification Activities - Restricted Pesticide Users and Restricted-Use Pesticide Dealers must obtain certificates and licenses from the Department. Both must pass a written examination. Restricted Pesticide Users must renew their certificates every five years. Renewal is done through attending classes or by written examination. Restricted Pesticide Dealers must renew their licenses every year. Fees are assessed for the administration of examinations and the annual issuance of dealers' licenses

Educational Activities - Field consultative visits are conducted to provide information and training to applicators and to prevent pesticide misuse. Educational classes are offered to certified applicators and the general public on pesticide issues.

Pesticide Licensing - Before pesticides may be offered for sale in Hawaii, they must be licensed. Program activities are to issue experimental permits to gather

necessary data to support special local needs registrations, and license products that meet the standards of the Administrative Rules concerning pesticides and Federal pesticide law and rules. A licensing fee is charged for each product. This fee is deposited in the Pesticide Use Revolving Fund. This fund is used for personnel costs, operating costs and contracts for services.

Investigation Activities - Inspections are conducted to assure compliance with label directions and to detect misuse. Citizen complaints relating to pesticides are investigated as top priority actions for the program. Pesticide producers and dealers are inspected to determine compliance with the licensing and labeling requirements, to assure sales to appropriately certified applicators, and to sample pesticides for chemical composition.

Enforcement Activities - Noncompliance with State Pesticides Law and Administrative Rules are addressed in Warning Notices, Stop-Sale Orders, and/or Civil Penalty Proceedings

#### D. Statement of Key Policies Pursued

The Pesticides Program has jurisdiction for enforcement of the Hawaii Pesticides Law (Chapter 149A, HRS) and Administrative Rules; and State-Federal cooperative agreements relating to pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

## E. Identification of Important Program Relationships

University of Hawaii, College of Tropical Agriculture and Human Resource (UH) conducts research on chemical pest control and provides data in support of special local need registrations reviewed and issued by the Department. The UH Cooperative Extension Service conducts applicator certification training with certification issued by the Department in a coordinated program. The

Department of Health has related program responsibilities, including pesticide residues in groundwater and food, pesticides used for vector control, and pesticide incident reporting.

The U.S. Environmental Protection Agency (EPA) enforces Federal pesticide laws and regulations and has cooperative enforcement, certification, and new program agreements (worker protection, groundwater protection, and endangered species protection) with the Department.

#### F. Description of Major External Trends Affecting the Program

- 1. Amendments to Federal Law, including the Federal Food Drug and Cosmetic Act, has changed risk assessment procedures for pesticides. Known as the Food Quality Protection Act, these amendments set new standards for pesticide residues in food. The most important change is that the EPA must now consider all pesticides with a common mechanism of toxicity and all routes of exposure in assessing risks. This process will likely exacerbate pesticide availability issues for minor pesticide uses (which include most of Hawaii's crops). However, EPA has encouraged the development of safer pesticides, which may provide some control, although are substantially more expensive than current pest controls.
- 2. Regulating plant incorporated protectant pesticides under a agreement with EPA will require considerably more effort than required for conventional chemical pesticides. More than one visit will be required for each experimental permit issued by EPA and multi-agency coordination will be required to determine the fate of the seed. All program costs for this effort are to be paid by EPA.

## G. Discussion of Cost, Effectiveness, and Program Size Data

- 1. Cost Total program costs include funds from the State budget and Federal funds. The state budget is approximately \$750,000. This is supplemented by \$200,000 in federal support for the enforcement and certification programs, and \$150,000 to develop new pesticide regulatory programs. There is also approximately \$700,000 budgeted from Pesticide Use Revolving fund which is to be used to support pesticide program activities.
- 2. Effectiveness The methods to measure program effectiveness include severe pesticides injuries reported to the Poison Control Center hotline and the number of drinking water sources with levels of pesticides of concern.
- 3. Size The current state and federally funded positions are: Maui County has two positions, one Inspector and one Education Specialist; Hawaii County has four positions, three Inspectors and one Education Specialist, Kauai County has one Inspector. The majority of the staff, including the Program Manager, assigned to Honolulu County.

## H. Discussion of Program Revenues

The program has five sources of revenue: 1) EPA grants; 2) licenses and permits issued to dealers and sales outlets; 3) annual license fees for pesticide distribution and sale in Hawaii; 4) applicator certification examination fee; and 5) civil penalties for violations of State Pesticides Law.

## I. Summary of Analysis Performed

None

#### J. Further Considerations

None

## OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO. 10

PROGRAM TITLE:

INDIVIDUAL RIGHTS

		IN DOLL	.ARS	!-		IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST PERSONAL SERVICES	17.00* 495,969	15.00* 570,143	15.00* 587,916	15.00* 587,916	15.0* 588	15.0* 588	15.0* 588	15.0* 588
OTHER CURRENT EXPENSES EQUIPMENT	98,604 4,957 	83,515	83,515	83,515	83	83	83	83
TOTAL OPERATING COST	599,530	653,658	671,431	671,431	671	671	671	671
BY MEANS OF FINANCING				!				
GENERAL FUND	17.00* 599,530	15.00* 653,658	15.00* 671,431	15.00* 671,431	15.0* 671	15.0* 671	15.0* 671	15.0* 671
TOTAL POSITIONS TOTAL PROGRAM COST	17.00* 599,530	15.00* 653,658	15.00* 671,431	15.00* 671,431	15.00* 671	15.00* 671	15.00* 671	15.00* 671

## OPERATING AND CAPITAL EXPENDITURES

ROGRAM ID:

AGR812

PROGRAM STRUCTURE NO. 10010402

ROGRAM TITLE:

MEASUREMENT STANDARDS

		IN DOLL	ARS			IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	17.00*	15.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
PERSONAL SERVICES	495,969	570,143	587,916	587,916	588	588	588	588
OTHER CURRENT EXPENSES	98,604	83,515	83,515	83,515	83	83	83	83
EQUIPMENT	4,957							
TOTAL OPERATING COST	599,530	653,658	671,431	671,431	671	671	671	671
								=======
BY MEANS OF FINANCING	47.00	45.00	15.00	15.00	45.0	15.00	15.00	45 0.
	17.00*	15.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
GENERAL FUND	599,530	653,658	671,431	671,431	671	671	671	671
TOTAL POSITIONS	17.00*	15.00*	15.00*	15.00*	15.00*	15.00*	15.00*	15.00*
TOTAL PROGRAM COST	599,530	653,658	671,431	671,431	671	671	671	671
				=========	=======			=======

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:

AGR-812

PROGRAM STRUCTURE NO: 10010402

PROGRAM TITLE:

MEASUREMENT STANDARDS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								And Many dates from Party water stady over Albert
1 COMPLIANCE RATE FOR COMMERCIAL MEASURING DEVICES	90	90	90	90	90	90	90	90
2 PERCENTAGE OF MEASURING DEVICES INSPECTED	75	100	100	100	100	100	100	100
3 COMPLIANCE RATE FOR SERVICE AGENCIES	100	100	100	100	100	100	100	100
4 COMPLIANCE RATE FOR AUTOMOTIVE FUEL OCTANE RATING	100	100	100	100	100	100	100	100
5 PERCENTAGE OF MEASUREMENT STANDARDS CALIBRATED	90	100	100	100	100	100	100	100
6 COMPLIANCE RATE FOR PRICING	85	85	90	95	95	95	95	95
7 PERCENTAGE OF STORES INSPECTED FOR PRICING	20	50	50	50	100	100	100	100
8 COMPLIANCE RATE FOR PACKAGE CONTENT 9 COMPLIANCE RATE FOR PACKAGE LARELING	67	50	50	50	100	100	100	100
9 COMPLIANCE RATE FOR PACKAGE LABELING	27	50	50	50	100	100	100	100
PROGRAM TARGET GROUPS								
1 BUSINESSES USING WEIGHING DEVICES	2255	2300	2300	2300	2900	2900	2900	2900
2 BUSINESSES USING VOLUMETRIC DEVICES	433	450	450	450	600	600	600	600
3 BUSINESSES USING LINEAR DEVICES	426	450	450	450	2100	2100	2100	2100
4 SERVICE AGENCIES FOR MEASURING DEVICES	60	60	60	60	80	80	80	80
5 STORES USING PRICE SCANNERS	1000	1000	1000	1000	1000	1000	1000	1000
6 WEIGH MASTERS	165	165	165	165	165	165	165	165
7 DE FACTO POPULATION OF HAWAII (000)	1349	1356	1363	1370	1370	1370	1370	1370
PROGRAM ACTIVITIES								
1 # OF MEASURING DEVICES INSPECTED-WEIGHT	1499	1500	1500	1500	5250	5250	5250	5250
2 # OF MEASURING DEVICES INSPECTED-VOLUME	1217	1200	1200	1200	6700	6700	6700	6700
3 # OF MEASURING DEVICES INSPECTED-LINEAR	1107	1100	1100	1100	3700	3700	3700	3700
4 # OF REPAIR SERVICES MONITORED FOR QUALITY	60	60	60	60	700	700	700	700
5 # OF MEASUREMENT STANDARDS CALIBRATED	1246	1200	1200	1200	1600	1600	1600	1600
6 # OF OCTANE TESTS DONE ON AUTOMOTIVE FUEL	32	30	30	30	288	288	288	288
7 INSPECT CONSUMER PKGS FOR QUANT. OF CONTENTS (000)	33	30	30	30	1000	1000	1000	1000
8 # OF CONSUMER PACKAGE LABELS INSPECTED	384	400	400	400	10000	10000	10000	10000
9 # CONSUMER PRODS INSPECTED FOR PRICE VERIFICATN	7050	7000	7000	7000	31500	31500	31500	31500
10 # OF MEIGHMASTERS & SERVICE AGENCIES LICENSED .	245	245	245	245	245	245	245	245
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL	12	15	15	15	15	15	15	15
ALL OTHER CHARGES FOR CURRENT SERVICES	141	145	385	385	385	385	385	385
FINES, FORFEITS AND PENALTIES			507	00)	507	307	307	309
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	153	160	400	400	400	400	400	400
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF	F DOLLARS):							
GENERAL FUND	152	160	400	400	400	400	400	400
TOTAL PROGRAM REVENUES	152	160	400	400	400	400	400	400

#### AGR 812: MEASUREMENT STANDARDS

### A. Statement of Program Objectives

To minimize inaccuracy or fraudulent practices in commercial measurement, labeling, and pricing to reduce losses for sellers and consumers through a program of licensing, inspecting, testing, calibrating, and investigating complaints.

## B. Description of Request and Compliance with Act 263, SLH 1994

The budget request for the FB 06-07 reflects a current services funding level based on FY 05 allocation. There are no new programs or operating funds being requested in the FB 06-07.

## C. <u>Description of Activities Performed</u>

- 1. Inspect and test motor fuel dispensers at wholesale and retail levels to assure accuracy and compliance with specifications.
- 2. Test scales at wholesale and retail levels to assure accuracy and compliance with specifications.
- 3. Test taximeters and other linear measuring devices to assure accuracy and compliance with specifications.
- Calibrate standards used by inspectors, state and private laboratories, and businesses.
- Check retail prices to verify that prices are posted and the correct price is being charged.
- 6. Analyze labels submitted for compliance with law.
- 7. Check labels on consumer packages to assure compliance with labeling laws.
- 8. Test and analyze consumer packages to assure accurate quantities.
- 9. License and monitor measuremasters.
- 10. Conduct testing of gasoline for octane.

#### D. Statement of Key Policies Pursued

- 1. Provide effective services and activities to protect individuals from unfair commercial practices involving measurement or labeling.
- 2. Conduct enforcement on an educational basis if possible.
- 3. Improve enforcement and client educational activities by using the latest sampling methods, automated data processing equipment, communication technology, and information presentation practices.

## E. <u>Identification of Important Program Relationships</u>

U.S. Department of Commerce, National Institute of Standards and Technology (NIST), which has a statutory responsibility for "cooperation with the States in securing uniformity of weights and measures and methods of inspection" throughout the United States. The metrology laboratory must meet established criteria and resolve laboratory problems presented by NIST to receive and maintain certification. The laboratory also participates in the Western Regional Assurance Program along with the 10 western states under the auspices of NIST. The enforcement program works with NIST in developing specifications and tolerances for commercial measuring devices.

Works with federal FDA and State Food and Drug Branch, DOH, in labeling food products; U.S. Department of Agriculture regarding labeling of meat and poultry products; and the Federal Trade Commission for labeling of non-food products.

U.S. Department of Transportation, local county motor vehicle licensing agencies, Hawaii Criminal Justice Data Center, and other States departments of motor vehicles to obtain information relating to odometer fraud investigations.

American Petroleum Institute, government and private industry petroleum testing laboratories, American Society for Testing and Materials, and the Federal Trade

Commission for setting standards developing testing methodology and enforcing labeling requirements for petroleum products.

Department of Commerce and Consumer Affairs.

## F. <u>Description of Major External Trends Affecting the Program</u>

Legislation has been passed that requires specific language to be used in roasted Hawaiian Coffee Packaging and advertisements. The program continues to work with the coffee industry to bring all packages and advertisements into compliance. New legislation has been passed requiring correct and accurate advertisement of Ni'ihau Shell products. The program will begin working with the Ni'ihau shell industry to bring all advertisements into compliance. Both the Federal Government and the State Government are looking for ways to reduce our dependence on fossil fuels. The opportunity to develop and sell ethanol blended petroleum products in the State is being studied. Once this becomes Commercially viable, the program will need to adjust the way petroleum inspections are done to accommodate this change.

## G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

Program Activities - Activity levels remain at reduced levels due to vacancies. There is currently a vacant Inspector I position on Maui and a vacant Clerk Typist position on Oahu. It is anticipated that activity levels will increase as vacant positions are filled. Due to the elimination of the Kauai and Hilo inspector positions, enforcement on Kauai and the Big Island will be handled by staff in other regions, but at a reduced rate.

Rules will be written to allow for service agencies to assist in routine inspections of devices, which should make the program more efficient. Rules will be amended and updated to increase fees so as to more reasonably cover costs of the program

activities. A new PC based Database application has been purchased and is being utilized.

#### H. <u>Discussion of Program Revenues</u>

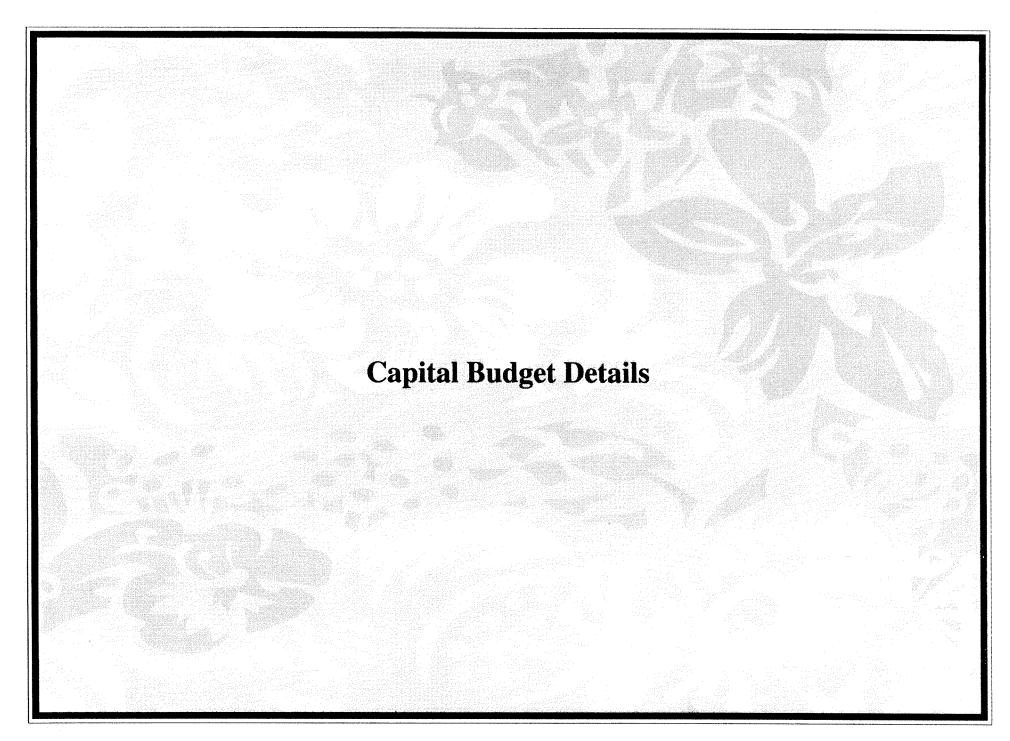
Program revenues are derived from licensing commercial measuring devices and measuremasters. Annual revenue estimates are anticipated to double to \$400,000 in FY 06 if fee increases proposed in rule changes are adopted as recommended. The proposed fee increases are intended to more adequately cover the costs of the activities.

## I. Summary of Analysis Performed

None

### J. Further Considerations

None



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STATE OF HAWAII

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 3

PROGRAM ID

AGR-141

PROGRAM STRUCTURE NO. 01030401

PROGRAM TITLE

AGRICULTURAL RESOURCE MANAGEMENT

ROJECT PRIORITY	LOC SCOPE	PRO	PROJECT TITLE			BUDGET PE	COTO					
NUMBER NUMBER		PROJECT	PRIOR	FY	FY	FY	FY	FY	FY	FY	FY	SUCCEED
	COST ELEMENT/MOF	TOTAL	YRS	03-04	04-05	05-06	06-07	07 08	08-09	09-10	10-11	YEARS
A6002	NEM	WAIMEA IRRIGA	TION SYSTEM	IMPROVEMENTS,	HAWAII							
	PLANS	1				1						
	DESIGN CONSTRUCTION	39 310				39 310						
	TOTAL	 350				350		***************************************				
	G.O. BONDS	350	. <b></b>			350						
 P04007	NEM	PAAUILO RENDE	RING PLANT,	HAWAII								
	PLANS	75			75							
	DESIGN	75			75							
	CONSTRUCTION EQUIPMENT	750 200			750 200							
	TOTAL	1,100			1,100		-					
	G.O. BONDS	1,100			1,100					MAN ANTE CATO AND ANTE SIZE SAID SIZE SAID ASSOCIATE SAID SAID SAID SAID SAID SAID SAID SAID		
 200106	NEM	MOLOKAI IRRIG	GATION SYSTEM	IMPROVEMENT:	s, !	MOLOKAI				nii ann dur dhu ann ann ann ann dur de dar a		
	PLANS	200		200								
	TOTAL	200		200								
	G.O. BONDS	200		200								
 200301	NEM	AGRICULTURAL	WATER AND IN	NFRASTRUCTURE		DEVELOPMENT,	STATEWIDE					
	PLANS	51	1		50							
	LAND	251	1		250 50							
	DESIGN CONSTRUCTION	51 7,846	1,996		5.850							
	EQUIPMENT	51	1,,,,0		50					~~~~		
	TOTAL	8,250	2,000		6,250							
	G.O. BONDS	5,000	2,000		3,000							
	OTHER FED. FUN	3,250			3,250							

STATE OF HAWAII PROGRAM ID

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 4

PROGRAM STRUCTURE NO. 01030401

AGR-141 01030401

PROGRAM TITLE

AGRICULTURAL RESOURCE MANAGEMENT

ROJECT F NUMBER		LOC	SCOPE	PRO.	JECT TITLE			DUDGET T						
אשמחטה	NUMBER			PROJECT	PRIOR	FY	FY	BUDGET PI		EV	EV	r.v	EV	CHOOSE
		COST	ELEMENT/MOF	TOTAL	YRS	03-04	04-05	FY 05-06	FY 06-07	FY 07 08	FY 08-09	FY 09-10	FY 10-11	SUCCEE! YEAR!
00401			NEM	STATE AGRICUL	TURAL WATER A	ND USE DEVE	LOPMENT PI	LAN, STATEM	IDE					
		PLANS		300		300								
		TO	TAL	300		300	* FFF 64% 54% 54% 44% 44% 44% 44% 44% 44% 44% 4	77 TO THE SET OF THE SET OF THE SET OF				<del></del>		
		G.O.		150		150				· ··· · · · · · · · · · · · · · · · ·			OF THE THE THE SEA SEA SEA SEA SEA SEA SEA SEA SEA SE	
		OTHER	FED. FUN	150		150								
200402			NEM	MOLOKAI IRRIG	ATION SYSTEM	IMPROVEMENT	rs, M	OLOKAI						
		PLANS		50			٠.	50						
		DESIG		251			1	250						
		EQUIP	RUCTION	2,697 2			248	450	1,999					
							1		1					
			TAL 	3,000			250 	750 	2,000					
		G.O.	BONDS	3,000			250	750	2,000					
70001	0000		OTHER	WAIANAE AGRICULTURAL PARK,		DRAINAGE	I	MPROVEMENTS	, OAHU					
		PLANS		50	50									
		DESIG		150	150									
		CONST	RUCTION	3,400	1,200	2,200								
		TC	)TAL	3,600	1,400	2,200								
		G.O.	BONDS	3,600	1,400	2,200								
			- <u></u>	PROGRAM TOTAL	.s				made diese deur seine verse beier deus auch auch auss		the flor like two too need from from two two com-			
		PLANS		2,214	1,538	500	125	51						
		LAND		438	188		250							
		DESI		2,889	2,474		126	289						
			RUCTION	35,866	24,059	2,200	6,848	760	1,999					
		EQUI	PMENT	903	651		251 		1					
		T(	OTAL.	42,310	28,910	2,700	7,600	1,100	2,000					
			RAL FUND	135	135									
			BONDS	35,000	25,000	2,550	4,350	1,100	2,000					
		OTHE	R FED. FUN	7,175	3,775	150	3,250							